

# UNITED JAPAN SMALL AND MID CAP FUND

P r o s p e c t u s



# DIRECTORY

## Managers

UOB Asset Management Ltd  
(Company Registration No. 198600120Z)

*Registered Address:*  
80 Raffles Place  
UOB Plaza  
Singapore 048624

*Operating Address:*  
80 Raffles Place  
6th Storey  
UOB Plaza 2  
Singapore 048624

## Directors of the Managers

Terence Ong Sea Eng  
Cheo Chai Hong  
Thio Boon Kiat

## Sub-Managers

Sumitomo Mitsui Asset Management Company, Limited  
Atago Green Hills Mori Tower 28th Floor  
2-5-1 Atago Minato-ku  
Tokyo 105-6228

## Trustee / Registrar

HSBC Institutional Trust Services (Singapore) Limited  
(Company Registration No. 194900022R)

*Registered Office Address:*  
21 Collyer Quay  
#10-02 HSBC Building  
Singapore 049320

## Custodian

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

## Auditors

PricewaterhouseCoopers LLP  
8 Cross Street  
#17-00 PWC Building  
Singapore 048424

## Solicitors to the Managers

Tan Peng Chin LLC  
30 Raffles Place  
#11-00 Chevron House  
Singapore 048622

## Solicitors to the Trustee

Allen & Gledhill LLP  
One Marina Boulevard  
#28-00  
Singapore 018989

## IMPORTANT INFORMATION

UOB Asset Management Ltd (the “**Managers**”) accept full responsibility for the accuracy of the information contained in this Prospectus of the United Japan Small and Mid Cap Fund (the “**Fund**”) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no facts the omission of which would make any statement herein misleading. Unless otherwise stated or the context otherwise requires, all undefined terms in this Prospectus have the same meanings as ascribed to them in the deed of trust dated 27 September 2013 (as amended) relating to the Fund (the “**Deed**”).

Investors should refer to the provisions of the Deed and obtain independent professional advice in the event of any doubt or ambiguity relating thereto. Copies of the Deed are available for inspection at the Managers’ operating office during normal business hours (subject to such reasonable restrictions as the Managers may impose).

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and may only be used in connection with the offering of units of the Fund (“**Units**”) as contemplated herein. This Prospectus may be supplemented or replaced from time to time to reflect material changes.

Investment in the Fund requires consideration of the usual risks involved in investing and participating in collective investment schemes and the risks of investing in the Fund. Details of the risks involved are set out in paragraph 10 of this Prospectus. Investors should consider these risks carefully before making an investment decision. Investors should note that their investments can be volatile and there can be no assurance that the Fund will be able to attain its objectives. The prices of Units as well as the income from them may go up as well as down to reflect changes in the value of the Fund. An investment should only be made by those persons who can sustain losses on their investments. Investors should satisfy themselves of the suitability to them of an investment in the Fund based on their personal circumstances.

Potential investors should seek independent professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they may encounter under the laws of the countries of their citizenship, residence or domicile and which may be relevant to the subscription, holding or disposal of Units and should inform themselves of and observe all such laws and regulations in any relevant jurisdiction that may be applicable to them. No representation is made as to the tax status of the Fund.

No person, other than the Managers, has been authorised to issue any advertisements or to give any information, or to make any representations in connection with the offering, subscription or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisements, information or representations must not be relied upon as having been authorised by the Managers.

Investors should note that the Units are not listed on any stock exchange. Investors may subscribe for or realise their Units through the Managers or any of their authorised agents or distributors subject to the ultimate discretion of the Managers in respect of the subscription, sale, switching, conversion or realisation of an investor’s Units in accordance with and subject to the provisions in the Deed.

Applications may be made in other jurisdictions to enable the Units to be marketed freely in those jurisdictions.

All enquiries in relation to the Fund should be directed to the Managers or their authorised agents or distributors.

## TABLE OF CONTENTS

<b>Contents</b>	<b>Page</b>
1. STRUCTURE OF THE FUND.....	1
2. THE MANAGERS, ITS DIRECTORS AND KEY EXECUTIVES.....	2
3. THE SUB-MANAGERS.....	4
4. THE TRUSTEE, CUSTODIAN AND ADMINISTRATOR.....	4
5. OTHER PARTIES.....	5
6. INVESTMENT OBJECTIVE, FOCUS AND APPROACH.....	5
7. DISTRIBUTION POLICY AND PRODUCT SUITABILITY.....	6
8. AUTHORISED INVESTMENTS AND RISK MANAGEMENT PROCEDURES.....	7
9. FEES AND CHARGES.....	9
10. RISKS.....	10
11. SUBSCRIPTION AND ISSUE OF UNITS.....	12
12. REGULAR SAVINGS PLAN.....	15
13. REALISATION OF UNITS.....	16
14. SWITCHING OF UNITS.....	18
15. CANCELLATION OF SUBSCRIPTION FOR UNITS.....	20
16. OBTAINING PRICES OF UNITS.....	20
17. SUSPENSION OF DEALINGS.....	20
18. PERFORMANCE OF THE FUND.....	21
19. SOFT DOLLAR COMMISSIONS/ARRANGEMENTS.....	22
20. CONFLICTS OF INTEREST.....	22
21. REPORTS.....	23
22. QUERIES AND COMPLAINTS.....	24
23. OTHER MATERIAL INFORMATION.....	24

# UNITED JAPAN SMALL AND MID CAP FUND

## PROSPECTUS

*The Fund is an authorised scheme constituted in Singapore under the Securities and Futures Act (Chapter 289) (the “SFA”). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “Authority”). The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund. The meanings of terms not defined in this Prospectus can be found in the Deed.*

### 1. STRUCTURE OF THE FUND

#### 1.1 Name of the collective investment schemes

This Prospectus is in relation to a stand-alone Singapore-constituted collective investment scheme known as the United Japan Small and Mid Cap Fund.

#### 1.2 Date of registration and expiry of the Prospectus

The date of registration of this Prospectus with the Authority is 30 September 2013. This Prospectus is valid for 12 months after the date of registration (i.e. up to and including 29 September 2014) and shall expire on 30 September 2014.

#### 1.3 Trust deed

- (a) The Fund is constituted as a unit trust by way of a deed of trust dated 27 September 2013 (the “**Deed**”) between the Managers and HSBC Institutional Trust Services (Singapore) Limited (the “**Trustee**”).
- (b) The Deed is binding on the Managers, the Trustee, each unitholder (each a “**Holder**”) and all persons claiming through such Holder as if such Holder and all such persons claiming through such holder had been a party to the Deed.
- (c) Investors should note that this Prospectus includes provisions found in the Deed, which have to a large extent been summarised and that not all provisions of the Deed are reflected in this Prospectus. **Investors should read the Deed for full details.**
- (d) Copies of the Deed are available for inspection free of charge at the Managers’ operating office at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624 during normal business hours (subject to such reasonable restrictions as the Managers may impose) and will be supplied by the Managers upon request at a charge not exceeding S\$25 per copy of the document (or such other amount as the Trustee and the Managers may from time to time agree).

#### 1.4 Accounts and reports

As the Fund is newly established, reports and accounts relating to the Fund are not available as at the date of this Prospectus. When available, copies of the latest semi-annual and annual reports, semi-annual and annual accounts as well as the Auditor’s report on the annual accounts relating to the Fund, may be obtained upon request from the Managers at their operating office at 80 Raffles Place, 6th Storey, UOB Plaza 2, Singapore 048624, during normal business hours (subject to such reasonable restrictions as the Managers may impose).

#### 1.5 Structure of the Fund and Classes

The Fund is a Singapore-dollar denominated stand-alone open-ended collective investment scheme authorised in Singapore by the Authority.

The Fund shall consist of one or more Classes<sup>1</sup> of Units, with each Class bearing different characteristics such as their currency of denomination, fee structure, minimum threshold amounts for subscription, holding and realisation, distribution policy, eligibility requirements, mode of investment and the availability of RSP (as defined in paragraph 12 below). A separate net asset value per Unit (in the currency of denomination of the relevant Class), which may differ as a consequence of such variable factors, will be calculated for each Class. Save for such differences, Holders of each Class have materially the same rights and obligations under the Deed. Investors should note that the assets of the Fund are pooled and invested as a single fund and are not segregated in respect of each Class thereof.

For example, Classes may be established with different currencies of denomination and each such Class will be designated accordingly (e.g. Class SGD).

As of the date of this Prospectus, the following Classes of Units have been established:

<b>Name of Class</b>	<b>Currency of denomination</b>
Class SGD	Singapore dollar
Class USD	United States dollar
Class JPY	Japanese Yen

The Managers may at any time determine that new Classes be established. Where a new Class is established, Units in any existing Class may be re-designated so long as there is no prejudice to existing Holders of the Class or Fund as a whole. Subject to the foregoing, the Managers, with written notice to the Trustee, shall have the discretion to launch or delay the launch of any Class at any time and from time to time.

References to “**Units**” in this Prospectus shall denote Units in either each Class of Units or Units in all relevant Classes of Units.

## **2. THE MANAGERS, ITS DIRECTORS AND KEY EXECUTIVES**

### **2.1 The Managers**

The Managers are UOB Asset Management Ltd (“**UOBAM**”), whose registered office is at 80, Raffles Place, UOB Plaza, Singapore 048624.

UOBAM is a wholly-owned subsidiary of United Overseas Bank Limited. Established in 1986, UOBAM has been managing collective investment schemes and discretionary funds in Singapore for 27 years and as of 31 July 2013 manages about S\$41.2 billion in clients’ assets. UOBAM is licensed and regulated by the Authority. UOBAM also has investment operations in Malaysia and Thailand.

UOBAM offers global investment management expertise to institutions, corporations and individuals, through customised portfolio management services and unit trusts. As at 31 July 2013, UOBAM manages 54 unit trusts in Singapore, with total assets of about S\$4.6 billion under management. UOBAM is one of the largest unit trust managers in Singapore in terms of assets under management.

In terms of market coverage, UOBAM has acquired specialist skills in equity investment in Asian, Australian, European and US markets and in major global sectors. In the bond markets, UOBAM covers the Organisation of Economic Co-operation and Development (**OECD**) countries to emerging markets. UOBAM’s investment philosophy is to emphasise on securities selection using a bottom-up approach. UOBAM makes regular company visits and supplements its fundamental investment approach with quantitative tools to control risks and to aid in the portfolio construction process. UOBAM has also established itself as one of the leading players in structured credits and investment solutions, managing third party investments in global emerging market securities as well as global investment grade, non-investment grade and multi-sector credits.

In addition, UOBAM is committed to achieving consistently good performance. Since 1996, UOBAM has won a total of 139 awards. These awards recognise not just excellence in UOBAM’s investment performance across different markets and sectors, but also outstanding performance at the firm level.

<sup>1</sup> A “**Class**” refers to any class of Units in the Fund which may be designated as a class distinct from another class in the Fund as may be determined by the Managers from time to time.

As at 31 July 2013, UOBAM and its subsidiaries in the region have a staff strength of over 337 including about 56 investment professionals in Singapore.

The Managers are entitled to delegate certain or all of their duties. As at the date of this Prospectus, the Managers have delegated the administration and valuation functions of the Fund to the administrator whose details are set out in paragraph 4.3 below, and back office functions to United Overseas Bank Limited. The Managers have also delegated the investment management of a portion of the Fund's assets to the Sub-Managers whose details are set out in paragraph 3 below.

The Managers maintain professional indemnity insurance coverage which complies with the requirements under applicable laws, regulations and guidelines, or as directed by the Authority.

Please refer to the Deed for details on the Managers' role and responsibilities.

***Investors should note that the past performance of the Managers is not necessarily indicative of their future performance.***

## 2.2 Directors and key executives of the Managers

### Terence Ong Sea Eng, Chairman and Executive Director

**Mr Terence Ong Sea Eng** is the Chairman and Executive Director of UOBAM. Mr Ong, who joined United Overseas Bank Limited in 1982, has overall responsibility for the management and growth of United Overseas Bank Limited's global treasury and fund management businesses. He holds a Bachelor of Accountancy from the then University of Singapore and has 30 years of experience in treasury services and operations.

### Cheo Chai Hong, Director

**Mr Cheo Chai Hong** is a Director of UOBAM. He joined United Overseas Bank Limited in 2005, is currently in charge of a team of credit approvers for United Overseas Bank SME & Structured Trade & Ship Finance in Singapore and Overseas branches and subsidiaries. He also heads the Group Corporate Planning and Strategy Department which is responsible for helping the United Overseas Bank Limited Group to formulate its strategic direction and corporate governance structure.

Mr Cheo holds a Bachelor of Business Administration (Honours) from the then University of Singapore and he has more than 30 years of experience in Corporate and Investment Banking, Project and Ship Finance and Credit Management and Approval.

### Thio Boon Kiat, Director and Chief Executive Officer

**Mr Thio Boon Kiat** is the Chief Executive Officer of UOBAM. He is a Chartered Financial Analyst charter holder, graduated with a Bachelor of Business Administration (First Class Honours) degree from the National University of Singapore. In 2004, he attended the Investment Management Program at Harvard Business School. In 2006, he also attended the Mastering Alternative Investments programme by Insead University.

Mr Thio has over 19 years of investment management experience. He joined UOBAM in 1994 from the Government of Singapore Investment Corporation (GIC), as a portfolio manager managing Singapore, and subsequently Asia Pacific and Global Equity portfolios. Over the years, he also headed the International Equities and Global Technology teams. In 2004, Mr Thio was appointed as Chief Investment Officer of UOBAM, a position he held till 2011 when he was promoted to his current appointment of Chief Executive Officer.

### John J. Doyle III, Chief Investment Officer, Equities & Multi Assets

**Mr John J. Doyle III**, Chief Investment Officer ("CIO"), Equities & Multi Assets, joined UOBAM in April 2001. Mr. Doyle was promoted to CIO in September 2011. Prior responsibilities include serving as Deputy CIO Equities, Head of International Equities and Head of Asian Equities. He continues to oversee the UOBAM's Equity research and investment processes as well as the Multi Asset investment processes. Mr. Doyle had previously worked in senior research roles for Salomon Smith Barney (Singapore), UBS Securities (Singapore), and MeesPierson Securities (HK).

Mr. Doyle has over 23 years of experience, having started his career with Scudder, Stevens & Clark (Boston). His work experience includes both detailed securities research and analysis as well as portfolio management. Mr. Doyle graduated with a Bachelor of Arts (Economics) degree from the University of Vermont in 1988. The majority of his experience relates to conducting research and managing equity portfolios. At UOBAM, he is the designated person responsible for the investment management of the Fund.

### 3. THE SUB-MANAGERS

The Managers have appointed Sumitomo Mitsui Asset Management Company, Limited (“**SMAM**”) as the sub-manager of the Fund (the “**Sub-Managers**”).

SMAM, located at Atago Green Hills Mori Tower 28th Floor, 2-5-1 Atago Minato-Ku, Tokyo 105-6228, is one of the leading asset management firms in Japan. Its current form was incorporated in December 2002 following the merger of five asset management firms in Japan, namely, Sumitomo Life Investment, Sumisei Global Investment Trust Management, Mitsui Life Global Asset Management, Mitsui Sumitomo Insurance Asset Management and Sakura Investment Management. SMAM is domiciled in Japan and is registered with the Financial Services Agency in Japan as an asset management firm. SMAM has considerable experience in asset management in the Japanese market, having managed (in its current form) investment trust funds for more than 10 years. Prior to the merger, its predecessor companies have managed investment trust funds for more than 15 years. As at June 2013, SMAM has assets under management of approximately US\$130.6 billion.

SMAM has overseas subsidiaries in the United Kingdom, the United States and Hong Kong, and a representative office in Shanghai dedicated to research on equities and economic developments in the People’s Republic of China. SMAM and its group of companies worldwide (“**SMAM Group**”) provides investors with asset management services by leveraging its solid research platform, particularly focused on Japan and Asia-Pacific, with around 500 staff (including 140 investment professionals) worldwide. SMAM Group’s experienced fund managers take advantage of original and in-depth analysis by in-house researchers in generating investment ideas to produce competitive investment performances.

*Investors should note that the past performance of the Sub-Managers is not necessarily indicative of their future performance.*

### 4. THE TRUSTEE, CUSTODIAN AND ADMINISTRATOR

#### 4.1 The Trustee

The Trustee of the Fund is HSBC Institutional Trust Services (Singapore) Limited, whose registered office is at 21 Collyer Quay, #10-02, HSBC Building, Singapore 049320. The Trustee is regulated by the Authority.

Please refer to the Deed for details on the Trustee’s role and responsibilities.

#### 4.2 The Custodian

The Custodian of the Fund is The Hongkong and Shanghai Banking Corporation Limited, whose registered address is at 1 Queen’s Road Central, Hong Kong. The Custodian is regulated by the Hong Kong Monetary Authority and the Securities and Futures Commission of Hong Kong.

The Trustee has appointed the Custodian as the global custodian to provide custodial services to the Fund globally. The Custodian is entitled to appoint sub-custodians to perform any of the Custodian’s duties in specific jurisdictions where the Fund invests.

The Hongkong and Shanghai Banking Corporation Limited is a global custodian with direct market access in certain jurisdictions. In respect of markets for which it uses the services of selected sub-custodians, the Custodian shall act in good faith and use reasonable care in the selection and monitoring of its selected sub-custodians.

The criteria upon which a sub-custodian is appointed is pursuant to all relevant governing laws and regulations and subject to satisfying all requirements of The Hongkong and Shanghai Banking Corporation Limited in its capacity as global custodian. Such criteria may be subject to change from time to time and may include factors

such as the financial strength, reputation in the market, systems capability, operational and technical expertise. All sub-custodians appointed shall be licensed and regulated under applicable law to carry out the relevant financial activities in the relevant jurisdiction.

Other custodians may be appointed from time to time in respect of the Fund or any of its assets. All custodians shall collectively be referred to as the “**Custodian**”.

Details of the custodial arrangement in respect of the Deposited Property are set out at paragraph 23.4 below.

#### 4.3 The administrator

The administrator of the Fund is HSBC Institutional Trust Services (Singapore) Limited whose registered office is at 21 Collyer Quay, #10-02, HSBC Building, Singapore 049320.

### 5. **OTHER PARTIES**

#### 5.1 The Registrar

The registrar of the Fund is the Trustee. The register of Holders for the Fund (the “**Register**”) is kept and maintained at 20 Pasir Panjang Road (East Lobby), #12-21, Mapletree Business City, Singapore 117439. The Register is accessible to any Holder during normal business hours subject to such reasonable restrictions as the registrar may impose. The Trustee may appoint any other party (including, without limitation, the Managers) as its agent to keep and maintain the Register.

The Register is conclusive evidence of the number of Units in the Fund or Class held by each Holder. The entries in the Register shall prevail over the details appearing on any statement of holdings, unless the Holder proves to the satisfaction of the Managers and the Trustee that the Register is incorrect.

#### 5.2 The Auditors

The auditors of the accounts relating to the Fund (the “**Auditors**”) are PricewaterhouseCoopers LLP whose registered address is at 8 Cross Street, #17-00, PWC Building, Singapore 048424.

### 6. **INVESTMENT OBJECTIVE, FOCUS AND APPROACH**

#### 6.1 Investment objective

The investment objective of the Fund is to achieve long term capital growth through investing in securities of small and medium capitalisation corporations listed, domiciled, or having substantial operations, in Japan.

#### 6.2 Investment focus and approach

- (a) The Managers have delegated the investment management of substantially all the Fund’s assets to the Sub-Managers.
- (b) The Sub-Managers’ investment process in relation to the Fund is strictly bottom-up in nature and they seek to identify good quality companies in which they are able to achieve an in-depth understanding with a view to invest for the long term. The Sub-Managers conduct strong fundamental research further supported by dedicated analysts who specialise in small and mid cap research as well as analysts who provide coverage for large and mid cap stocks. The strategy is managed by a team of fund managers with each taking on the responsibility of contributing investment ideas. Every member of the team has to agree to the inclusion of a stock in the portfolio. The Japanese market has highly diversified industries and the Sub-Managers believe that a team-based investment management approach supported by analysts is a key contributing factor to the performance of this strategy in that it can provide more diverse investment ideas and in-depth analysis.

- (c) All listed Japanese stocks that are not included in the TOPIX 100 Index constitute the initial investment universe for the strategy. The Sub-Managers believe that not having a specific investment universe other than the aforementioned mitigates the risk of missing good investment opportunities. Though the Sub-Managers do not set any quantitative screening criteria, they focus on companies that have the following qualitative characteristics:
- (i) growing companies in developing business sectors;
  - (ii) companies with unique business models or superior technologies; and
  - (iii) companies in mature markets that are still able to grow earnings through innovations.
- (d) As this is a small and mid cap strategy, many stocks are not covered by sell-side analysts and external research is not readily available. The Sub-Managers believe that this situation creates inefficiencies around stock prices and provide opportunities for excess return. Therefore, they rely on their internal research which includes extensive management interviews and site visits to generate investment ideas. In order for a stock to be selected, the Sub-Managers have to conduct a direct face-to-face interview with management/investor relations officers and establish a financial model with three-year forward earnings estimates to calculate Enterprise Value (EV) and Absolute Price Target calculation. The Sub-Managers' definition of EV is the sum of invested capital and Market Value Added (MVA). MVA is the sum of discounted values of future Economic Value Added (EVA<sup>®2</sup>).
- (e) Internal research is aimed at evaluating fundamental and valuation aspects of companies through the use of the Sub-Managers' financial models. The key purpose of this analysis is to identify companies:
- (i) which fall under one of the above qualitative criteria;
  - (ii) whose Absolute Price Targets calculated based on intrinsic EV indicate more than 20% upside to current stock prices; and
  - (iii) which have positive MVA.
- The Sub-Managers only include companies whose operational fundamentals are in excellent condition and are able to continue producing good economic return in the foreseeable future.
- (f) The Sub-Managers make investment decisions based on Absolute Price Targets because they believe that such investment decisions are more disciplined as they enable the Sub-Managers to have a built-in process of reviewing fundamentals, revising earnings estimates and price targets and making investment decisions based on revised price targets when fundamentals change against initial estimates. This also avoids any potential lock-up investment with ambiguous investment objectives.

A portion of the Fund's assets may be retained in liquid instruments and cash for liquidity purposes.

## **7. DISTRIBUTION POLICY AND PRODUCT SUITABILITY**

### **7.1 Distribution policy**

Currently, the Managers do not intend to make regular distributions in respect of Units of the Fund.

### **7.2 Product suitability**

The Fund is only suitable for investors who:

- (a) seek long term capital growth; and
- (b) are comfortable with the volatility and risks of a fund which invests in securities of small and medium capitalisation corporations listed, domiciled, or having substantial operations, in Japan.

---

<sup>2</sup> EVA<sup>®</sup> is a registered trademark of Stern Stewart & Co.

## 8. AUTHORISED INVESTMENTS AND RISK MANAGEMENT PROCEDURES

### 8.1 Authorised Investments

- (a) The authorised investments of the Fund (“**Authorised Investments**”) are as follows:
- (i) any Quoted Investment<sup>3</sup> which is selected by the Managers for the purpose of investment of the Deposited Property;
  - (ii) any Investment<sup>4</sup> in respect of which an application for listing or permission to deal has been made to a Recognised Market<sup>5</sup> and the subscription for or purchase of which is either conditional upon such listing or permission to deal being granted within a specified period not exceeding 12 weeks (or such other period as may be agreed between the Managers and the Trustee) or in respect of which the Managers are satisfied that the subscriptions or other transactions will be cancelled if the application is refused;
  - (iii) any Unquoted Investment<sup>6</sup> which is selected by the Managers for the purpose of investment of the Deposited Property;
  - (iv) any Investment which is a unit in any unit trust scheme or a share or participation in an open-ended mutual fund or other collective investment scheme;
  - (v) the currency of any country or any contract for the spot purchase or sale of any such currency or any forward contract of such currency;
  - (vi) any Investment denominated in any currency;
  - (vii) any Investment which is a future, option, forward, swap, collar, floor or other derivative; and
  - (viii) any Investment which is not covered by sub-paragraphs (i) to (vii) above, as selected by the Managers and approved by the Trustee.

Please refer to the Deed for the full meaning of the terms **Quoted Investment**, **Recognised Market**, **Unquoted Investment** and **Investment**.

*Investors should note that the Fund intends to use or invest in financial derivatives. Further information is set out in paragraphs 8.2 and 10.2(e) of this Prospectus.*

- (b) The Fund is subject to the relevant investment guidelines and borrowing limits set out under Appendix 1 of the Code on Collective Investment Schemes issued by the Authority, as may be amended from time to time (the “**Code**”). The latest version of the Code may be found at the Authority’s website: [www.mas.gov.sg](http://www.mas.gov.sg). Investors should note that the Authority may, from time to time, update or amend the Code.
- (c) Currently, the Fund does not intend to carry out securities lending or repurchase transactions but may do so in the future in accordance with the provisions of the Code. Accordingly, the Fund may at such time in the future become subject to the provisions on securities lending and repurchase transactions as set out in the Code.

<sup>3</sup> “**Quoted Investment**” means any Investment which is quoted, listed or dealt in on any Recognised Market.

<sup>4</sup> “**Investment**” means any share, stock, bond, note, debenture, debenture stock, loan, loan stock, certificates of deposit, commercial paper, promissory note, treasury bill, fixed or floating rate instrument, unit or sub-unit in any unit trust scheme, share or unit in any exchange traded fund, participation in a mutual fund, warrant, option or other stock purchase right, futures or any other security (as defined in the SFA) (all of the foregoing denominated in any currency) or any money market instrument or any other derivative which may be selected by the Managers for the purpose of investment of the Deposited Property or which may for the time being form part thereof.

<sup>5</sup> “**Recognised Market**” means, subject to the provisions of the Code, any stock exchange or over-the-counter or over-the-telephone market, any futures exchange and any organised securities market which is open to the public and on which securities are regularly traded, being in each case an exchange or market in any part of the world and in relation to any particular Investment includes any responsible firm, corporation or association in any country in the world so dealing in the Investment as to be expected generally to provide in the opinion of the Managers a satisfactory market for the Investment (subject to any applicable provisions under the Code on Collective Investment Schemes) and is approved by the Trustee and in such case the Investment shall be deemed to be the subject of an effective permission to deal or be dealt in on the market deemed to be constituted by such firm, corporation or association.

<sup>6</sup> “**Unquoted Investment**” means any Investment which is not quoted, listed or dealt in on any Recognised Market.

## 8.2 Risk management procedures of the Managers relating to the use of financial derivative instruments

- (a) The Managers may use or invest in financial derivative instruments (“**FDIs**” or “**derivatives**”) in respect of the Fund for the purposes of hedging existing positions, efficient portfolio management, or a combination of both purposes.
- (b) The Managers will ensure that the global exposure of the Fund to FDIs or embedded FDIs will not at any time exceed 100% of the net asset value of the Fund. The Managers will apply a commitment approach to determine the Fund’s global exposure to FDIs by converting the positions in the FDIs into equivalent positions in the underlying assets of those FDIs and will calculate such exposure in accordance with the provisions of the Code.
- (c) Description of risk management and compliance procedures and controls adopted by the Managers:
  - (i) The Managers will implement various procedures and controls to manage the risk of the assets of the Fund. The decision to invest in any particular security or instrument on behalf of the Fund will reflect the Managers’ judgment of the benefit of such transactions to the Fund and will be consistent with the Fund’s investment objective in terms of risk and return.
  - (ii) *Execution of Trades.* Prior to each trade, the Managers will ensure that the intended trade will comply with the stated investment objective, focus, approach and restrictions (if any) of the Fund, and that best execution and fair allocation of trades are done. The Managers’ middle office department will conduct periodic checks to ensure compliance with the investment objective, focus, approach and restrictions (if any) of the Fund. In the event of any non-compliance, the Managers’ middle office department is empowered to instruct the relevant officers to rectify the same. Any non-compliance will be reported to higher management and monitored for rectification.
  - (iii) *Liquidity.* In the event of unexpectedly large realisations of Units, there may be a possibility that the assets of the Fund may be forced to be liquidated at below their fair and expected value, especially in illiquid public exchanges or over-the-counter markets. The Managers will ensure that a sufficient portion of the Fund will be in liquid assets such as cash and cash-equivalents to meet expected realisations, net of new subscriptions.
  - (iv) *Counterparty exposure.* The Fund may have credit exposure to counterparties by virtue of the positions in FDIs and other financial instruments held by the Fund. To the extent that a counterparty defaults on its obligations and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its assets and in its income stream and incur extra costs associated with the exercise of its financial rights. Subject to the provisions of the Code, the Managers will restrict their dealings with counterparties to entities that have a minimum long-term issuer credit rating of above BB+ by Standard and Poor’s, an individual rating of above C by Fitch Inc., a financial strength rating of above C by Moody’s Investors Service, or an equivalent rating from any other reputable rating agency. If any approved counterparty fails this criterion subsequently, the Managers will take steps to unwind the Fund’s position with that counterparty as soon as practicable.
  - (v) *Volatility.* To the extent that the Fund has exposure to FDIs that allow a larger amount of exposure to a security for no or a smaller initial payment than the case where the investment is made directly into the underlying security, the value of the Fund’s assets will have a higher degree of volatility. The Fund may use derivatives for hedging purposes to reduce the overall volatility of the value of its assets. At the same time, the Managers will ensure that the global exposure of the Fund to FDIs and embedded FDIs will not exceed the net asset value of the Fund, as stated in sub-paragraph (b) above.
  - (vi) *Valuation.* The Fund may have exposure to over-the-counter FDIs that are difficult to value accurately, particularly if there are complex positions involved. The Managers will ensure that independent means of verifying the fair value of such instruments are available and will conduct such verification at an appropriate frequency.

- (d) The Managers will ensure that the risk management and compliance procedures and controls adopted by them are adequate and have been implemented and that they have the necessary expertise to control and manage the risks relating to the use of FDIs. The Managers may modify the risk management and compliance procedures and controls as they deem fit and in the interests of the Fund, but subject always to the requirements under the Code.
- (e) The Fund may net its over-the-counter financial derivative positions with a counterparty through bilateral contracts for novation or other bilateral agreements with the counterparty, provided that such netting arrangements satisfy the relevant conditions described in the Code, and that the Managers will obtain, or have obtained (as applicable), the legal opinions as stipulated in the Code.
- (f) Where the Fund uses or invests in financial derivatives on commodities, all such transactions shall be settled in cash at all times.

## 9. FEES AND CHARGES

- 9.1 The fees and charges payable by Holders and the Fund are set out in the tables below. Investors should also refer to the Deed for the full meaning and method of computation of the various fees and charges.

<b>Fees payable by a Holder</b>	
Subscription Fee	All Classes: Currently 5%; maximum 5%.
Realisation Fee	All Classes: Currently none; maximum 2%.
Switching Fee <sup>(1)</sup>	All Classes: Currently 1%; maximum 1%.
<b>Fees payable by the Fund to the Managers, the Trustee and other parties</b>	
Management Fee	All Classes: Currently 1.75% p.a.; maximum 2.5% p.a..
Trustee Fee	Currently not more than 0.05% p.a. (subject always to a minimum of S\$5,000 p.a.); maximum 0.125% p.a..
Registrar and transfer agent fee	The higher of S\$15,000 p.a. or 0.125% p.a., subject always to a maximum of S\$25,000 p.a..
Valuation and accounting fees	0.125% p.a..
Audit fee <sup>(2)</sup> (payable to the Auditors), custodian fee <sup>(3)</sup> (payable to the Custodian) and other fees and charges <sup>(4)</sup>	Subject to agreement with the relevant parties. Each of the fees or charges may amount to or exceed 0.1% p.a., depending on the proportion that each fee or charge bears to the net asset value of the Fund.

- <sup>(1)</sup> In the case of a switch of Units to units of any other fund managed by the Managers (“**New Fund**”), the switching fee referred to relates to the 1% subscription fee imposed by the Managers for investment into the New Fund. Such 1% switching fee would, in the case of a New Fund which normally imposes a subscription fee of more than 1%, effectively translate to a discount of the subscription fee of the New Fund.

- <sup>(2)</sup> The audit fee is subject to agreement with the Auditors for the relevant financial year.

- <sup>(3)</sup> The custodian fee payable is subject to agreement with the Custodian and will include transaction fees, the amount of which will depend on the number of transactions carried out and the place at which such transactions are effected in relation to the Fund.

- <sup>(4)</sup> Other fees and charges include printing costs, professional fees, goods and services tax and bank charges.

- 9.2 As required by the Code, all marketing, promotional and advertising expenses in relation to the Fund will be borne by the Managers and not debited from the Deposited Property of the Fund.

- 9.3 Any Subscription Fee and Realisation Fee will be retained by the Managers for their own benefit, and will not form part of the Deposited Property. All or part of the Subscription Fee may also be paid to or retained by authorised agents or distributors of the Managers. Any other commission, remuneration or sum payable to authorised agents and distributors in respect of the marketing of Units will be paid by the Managers. Investors should also note that the authorised agents and distributors of the Managers through whom the investors

subscribe for Units may (depending on the specific nature of services provided) impose other fees and charges that are not disclosed in this Prospectus, and investors should check with the relevant agent or distributor on such fees and charges, if any.

- 9.4 The Managers may at any time differentiate between investors as to the amount of the Subscription Fee, Realisation Fee, Switching Fee and other charges (if any) payable to the Managers upon the issue, switching or realisation of Units to be issued to them respectively, or allow to investors discounts on such basis and to such extent as they may think fit (such discounts to be borne by the Managers and not by the Fund), or to waive such fees and charges.

## 10. RISKS

### 10.1 General risks

Investment in the Fund is meant to produce returns over the long term and investors should not expect to obtain short-term gains from such investment. The value of Units and the income accruing from the Units may fall or rise and investors may not get back their original investment. There is no guarantee that the investment objective of the Fund will be achieved.

Investors should consider and satisfy themselves as to the risks of investing in the Fund. Generally, some of the risk factors that should be considered by investors are market risk, interest rate risk, foreign exchange risk, political risk, liquidity risk and derivatives risk. ***These and the risks described below are not exhaustive and investors should be aware that the Fund might be exposed to other risks of an exceptional nature from time to time.*** Investors should also note that the degree to which these risks affect investments in a collective investment scheme varies depending on the scheme's investment objectives, approach and focus and they should also consider the risks specific to the Fund.

### 10.2 Specific risks

#### (a) Market risk

Investors in the Fund should consider and satisfy themselves as to the usual risks of investing and participating in publicly traded securities. Prices of securities may go up or down in response to changes in economic conditions, interest rates and the market's perception of securities which in turn may cause the value of Units to rise or fall.

#### (b) Equity risk

The Fund invests in stocks and other equity securities which are subject to market risks that historically have resulted in greater price volatility than experienced by bonds and other fixed income securities. This in turn may affect the value or volatility of the Fund.

#### (c) Foreign exchange and currency risk

The Fund is denominated in Singapore dollars. Where investments are made by the Fund in the form of foreign currency denominations, fluctuations of the exchange rates of other foreign currencies against the Singapore dollar may affect the value of the Units. In the management of the Fund, the Managers may hedge the foreign currency exposure and may adopt an active currency management approach. However, the foreign currency exposure of the Fund may not be fully hedged depending on the circumstances of each case. Such considerations include but are not limited to the outlook on the relevant currency, the costs of hedging and the market liquidity of the relevant currency.

Additionally, the Fund may have Classes of Units that are denominated in currencies other than the denominated currency of the Fund. For instance, Class USD Units of the Fund are denominated in United States dollars, which is not the denominated currency of the Fund. Changes in the exchange rate between the denominated currency of the Fund and the currency of denomination of any such Class may lead to a depreciation of the value of the Units of such Class, as expressed in the currency of denomination of the Class. Subject to the same considerations in the foregoing sub-paragraph, the Managers may or may not mitigate the exchange rate risks to the extent of the value of the assets of the Fund attributed to such Class by hedging such exchange rate risks, and to the extent that they do not

do so, investors will be exposed to exchange rate risks. Investors should note that although a financial instrument used to mitigate such exchange rate risks is not in relation to the other Classes of Units within the Fund, the financial instrument will comprise the assets (or liabilities) of the Fund as a whole. The gains (or losses) on and the costs of the relevant financial instruments will, however, accrue solely to the relevant Class of Units of the Fund.

(d) Political, regulatory and legal risk

The value and price of the Fund's investments may be adversely affected by international political developments, changes in exchange controls, taxation policies, monetary and fiscal policies, foreign investment policies, government policies, restrictions on repatriation of investments and other changes in the laws, regulations, restrictions and controls in the relevant countries.

(e) Derivatives risk

As the Fund may use or invest in FDIs for the purposes of hedging its existing positions, efficient portfolio management, or a combination of both purposes, it will be subject to risks associated with such FDIs. These FDIs include foreign exchange forward contracts and equity index future contracts. Investments in FDIs may require the deposit of an initial margin and additional deposit of margin on short notice if the market moves against the investment positions. If no provision is made for the required margin within the prescribed time, the Fund's investments may be liquidated at a loss. Therefore, it is essential that such investments in FDIs are monitored closely. The Managers have controls for investments in FDIs and have in place systems to monitor the FDI positions of the Fund. Please see paragraph 8.2 above for more information on the risk management procedures of the Managers on the use of FDIs.

(f) Single country risk

The Fund's investments will be focused mainly in Japan. Investors should be aware that while such concentrated exposure may present greater opportunities and potential for capital appreciation, they may be subject to higher risks as there may be less diversification than a regional or global portfolio.

(g) Small and medium capitalisation companies risk

Investments in small and medium capitalisation companies generally carry greater risk than is customarily associated with larger capitalisation companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity. The result may be greater volatility in the share prices of such companies.

(h) Counterparty risks

The Fund is exposed to the risk that a counterparty may default on its obligations to perform under a particular contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating an investment and may therefore incur significant losses, including losses resulting from a decline in the value of the investment during the period in which the Fund seeks to enforce its rights. The Fund may also be unable to realise any gains on the investment during such period and may incur fees and expenses to enforce its rights. There is also a possibility that the contracts may be terminated due to, for instance, bankruptcy, supervening illegality or change in the tax or accounting laws relative to those laws existing at the time the contracts were entered into.

(i) Exceptional market conditions

Under certain market conditions, it may be difficult or impossible to liquidate or rebalance positions. For example, this may occur during volatile markets or crisis situations or where trading under the rules of the relevant stock exchange is suspended, restricted or otherwise impaired. During such times, the Fund may be unable to dispose of certain assets due to thin trading or lack of a market or buyers. Placing a stop-loss order may not necessarily limit the Fund's losses to intended amounts as market conditions may make it impossible to execute such an order at the ideal price. In addition, such circumstances may force the Fund to dispose of assets at reduced prices, thereby adversely affecting the

Fund's performance. Further, such investments may be difficult to value with any degree of accuracy or certainty. The dumping of securities in the market could further deflate prices. If the Fund incurs substantial trading losses, the need for liquidity could rise sharply at the same time that access to liquidity is impaired. Additionally, in a market downturn, the Fund's counterparties' financial conditions could be weakened, thereby increasing the Fund's credit risk.

(j) Actions of institutional investors

The Managers may accept subscriptions from institutional investors and such subscriptions may constitute a large portion of the total investments in the Fund. Whilst these institutional investors will not have any control over the Managers' investment decisions, the actions of such investors may have a material effect on the Fund. For example, substantial realisations of Units by an institutional investor over a short period of time could necessitate the liquidation of the Fund's assets at a time and in a manner which does not provide maximum economic advantage to the Fund and which could therefore adversely affect the value of the Fund's assets.

(k) Liquidity risk of investments

Investments by the Fund in some Asian and/or emerging markets often involve a greater degree of risk due to the nature of such markets which do not have fully developed services such as custodian and settlement services often taken for granted in more developed markets. There may be a greater degree of volatility in such markets because of the speculative element, significant retail participation and lack of liquidity which are inherent characteristics of these markets.

(l) Broker risk

The Managers may engage the services of third party securities brokers and dealers to acquire or dispose the investments of the Fund and to clear and settle its exchange traded securities trades. In selecting brokers and dealers and in negotiating any commission involved in its transactions, the Managers consider, amongst other things, the range and quality of the professional services provided by such brokers and dealers, the credit standing, and the licensing or regulated status of such brokers and dealers.

It is possible that the brokers or dealers with which the Fund does business may encounter financial difficulties that may impair the operational capabilities of the Fund. In the event that one of these brokers or dealers were to fail or become insolvent, there is a risk that the Fund's orders may not be transmitted or executed and its outstanding trades made through the broker or dealer may not settle.

## **11. SUBSCRIPTION AND ISSUE OF UNITS**

### **11.1 How Units may be subscribed and paid for**

Applications for Units may be made by submitting the application form, which may be obtained from authorised agents or distributors of the Managers, to authorised agents or distributors of the Managers, or through automated teller machines ("ATMs") (as and when ATM applications are made available by the Managers or their authorised agents or distributors, if applicable), or any website designated by the Managers or any other sales channel, if applicable. The acceptance or non-acceptance of applications for Units shall be at the absolute discretion of the Managers acting in consultation with the Trustee and in the best interests of the Fund.

Applications should be accompanied by such documents as may be required, with the subscription monies in full, failing which the Managers reserve the right to reject the relevant application. Applicants may make payment for Units by telegraphic transfer and should contact the Managers for details regarding payment by telegraphic transfer. All bank charges incurred in respect of a telegraphic transfer will be borne by the applicant.

Investors may subscribe for Units in the Fund in the following manner:

- (a) with cash (for all Classes); and
- (b) with Supplementary Retirement Scheme ("SRS") monies (for Classes denominated in Singapore dollar only).

Investments in Units using SRS monies are subject to availability and investors should check with their SRS operator bank before deciding on any investment using SRS monies. Investors wishing to use their SRS monies to purchase Units must indicate this on the relevant application form which contains the relevant investor's instructions to his SRS operator bank to withdraw the subscription monies in respect of the Units applied for from his SRS account.

The Managers will generally only accept payment in the currency of denomination of the Class of Units subscribed for. The Issue Price for such Units will be calculated in the relevant Class currency. The Managers may also accept payment in any other currency from time to time at their sole discretion and subject to such additional terms as they may impose from time to time. The costs of any currency exchange will be borne by the investor. Investors should also be aware of the foreign exchange and currency risks of investing in the Fund or Class, which is summarised in paragraph 10.2(c) above.

Units will generally only be issued when subscription monies have been received by the Trustee on a cleared funds basis in the relevant currency, although the Managers may at their discretion issue Units before receiving full payment in cleared funds or, if required, conversion to the relevant currency.

For compliance with anti-money laundering laws and guidelines, the Managers or their authorised agents or distributors reserve the right to request such information as is necessary to verify the identity of an applicant.

## 11.2 Initial Issue Price, initial offer period, minimum subscription amounts and minimum holding

The table below sets out the initial Issue Price, initial offer period, minimum initial subscription amount, minimum subsequent subscription amount and minimum holding for each Class of Units:

<b>Name of Class</b>	<b>Class SGD</b>	<b>Class USD</b>	<b>Class JPY</b>
<b>Initial Issue Price</b>	S\$1.00	US\$1.00	¥1,000.00
<b>Initial offer period *</b>	1 November 2013 to 8 November 2013	1 November 2013 to 8 November 2013	1 November 2013 to 8 November 2013
<b>Minimum initial subscription amount **</b>	S\$1,000	US\$1,000	¥100,000
<b>Minimum subsequent subscription amount **</b>	S\$500	US\$500	¥50,000
<b>Minimum holding **</b>	1,000 Units or such number of Units as may be purchased for the relevant minimum initial subscription amount		

\* The initial offer period may be changed to such other period as the Managers may decide from time to time upon prior notification to the Trustee.

\*\* The minimum initial subscription amount, minimum subsequent subscription amount and minimum holding in respect of Units of each Class may be varied by the Managers from time to time, either generally or in respect of any particular transaction, upon prior written notice to the Trustee. Investors should also note that the authorised agents and distributors of the Managers may impose a higher minimum initial or subsequent subscription amount. Investors should therefore check with the relevant authorised agents or distributors before submitting their applications for subscriptions.

## 11.3 Issue Price

After the initial offer period of the Fund or Class of the Fund, Units may be offered for such periods as the Managers may decide from time to time. Such Units will be issued on a forward pricing basis. Therefore, the Issue Price of such Units will not be ascertainable at the time an application is made.

Units offered after the relevant initial offer period will be issued on each Dealing Day (as defined in paragraph 11.4 below) at an Issue Price that is ascertained by the Managers by calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which such issue occurs of the proportion of the Deposited Property of the Fund or Class represented by one Unit and truncating the resultant amount to 3 decimal places (or such other method of adjustment or number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if so required, charge a Subscription Fee which is deducted from the total amount paid by the investor for the subscription of Units (the "**Gross Investment Amount**"), and

the resultant amount (the “**Net Investment Amount**”) will be applied towards the subscription of Units. The Subscription Fee will be retained by the Managers for their own benefit and the amount of the adjustment will be retained by the Fund. The Managers’ policy in relation to the valuation of the assets of the Fund is set out in [paragraph 23.2](#).

The Managers may, in consultation with the Trustee and in accordance with the provisions of the Deed, make fixed price offers of Units from time to time.

No certificates for Units will be issued.

Any change to the method of determining the Issue Price will be effected with the consent of the Trustee, who will determine whether Holders should be informed of the change.

#### 11.4 [Dealing Deadline and pricing basis](#)

The Managers administer the Fund or Class by stipulating the days on which transactions in Units are permitted, and the times by which (among other things) applications or instructions must be received for transactions in Units to take place as of a particular day or time.

The dealing deadline is 3 p.m. Singapore time on any Dealing Day (“**Dealing Deadline**”) <sup>7</sup>. Applications received and accepted by the Managers or any of their authorised agents or distributors by the Dealing Deadline will be transacted on that day at that Dealing Day’s Issue Price. Applications received and accepted by the Managers or any of their authorised agents or distributors after the Dealing Deadline or on a day which is not a Dealing Day will be transacted on the next Dealing Day.

“**Business Day**” means a day (other than Saturday, Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore and Japan, or any other day as the Managers and the Trustee may agree in writing.

“**Dealing Day**”, in connection with the issuance, cancellation, valuation and realisation of Units, means every Business Day or such other day or days at such intervals as the Managers may from time to time determine with the prior approval of the Trustee provided that reasonable notice of any such determination will be given by the Managers to all Holders at such time and in such manner as the Trustee may approve. If on any day which would otherwise be a Dealing Day the Recognised Market on which investments of the Fund having in aggregate values amounting to at least 50% of the value of the assets of the Fund (as at the relevant Valuation Point) are quoted, listed, or dealt in is not open for normal trading, the Managers may determine that that day shall not be a Dealing Day.

“**Valuation Point**” means the close of business of the last relevant market in relation to the relevant Dealing Day on which the net asset value of the Fund or Class (as the case may be) is to be determined or such other time on the relevant Dealing Day or such other day as the Managers may determine with the prior approval of the Trustee who shall determine if a notice to notify the Holders of such change is required.

The Deed sets out the circumstances in which the issue of Units may be suspended. The relevant provisions are summarised in [paragraph 17](#) below.

#### 11.5 [Numerical example of the computation of Units allotted](#)

The number of Units in Class SGD that an investor will receive based on a Gross Investment Amount of S\$1,000.00, a notional Issue Price of S\$1.000\* and a Subscription Fee of 5%, will be calculated as follows:

S\$1,000.00	-	S\$50.00	=	S\$950.00
Gross Investment Amount		Subscription Fee (5%)		Net Investment Amount
S\$950.00	÷	S\$1.000	=	950.00
Net Investment Amount		Issue Price*		Number of Units in Class SGD allotted

<sup>7</sup> Subject to the terms of the Deed, the Managers may, in relation to certain investors or distributors and with the approval of the Trustee, from time to time determine such other time of day on or prior to a particular Dealing Day as the Dealing Deadline for those investors and distributors.

- \* The example above is hypothetical and is not indicative of any future Issue Price. The actual Issue Price after the initial offer period of a Class will fluctuate according to the then prevailing net asset value of the Class. Investors should note that Units in some Classes may be denominated in a currency other than Singapore Dollars.

The number of Units to be issued to an investor will be rounded down to 2 decimal places (the method of adjustment and the number of decimal places to which adjustment occurs may be varied by the Managers from time to time with the approval of the Trustee).

#### 11.6 Confirmation of purchase

An investor who invests in the Fund will be sent a confirmation of his purchase within 5 Business Days for cash applications, and within 11 Business Days for SRS applications (where available), from the date of issue of Units.

#### 11.7 Minimum fund size and other conditions to the launch of the Fund or Class

The Managers reserve the right not to proceed with the launch of the Fund (or as the case may be, any Class thereof) in the event that:

- (a) (in the case of the Fund) the capital raised for the Fund as at the close of the initial offer periods for Class SGD, Class USD and Class JPY Units is in aggregate less than the equivalent of S\$5,000,000; or
- (b) (in the case of any Class) the Managers are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the relevant Class.

In such event, the Managers may at their discretion declare the Fund or Class (as the case may be) to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the relevant initial offer period.

## 12. **REGULAR SAVINGS PLAN**

Currently, regular savings plans (“**RSPs**”) are available only in respect of Units in Class SGD. Some authorised agents and distributors of the Managers may make available RSPs for Units in other Classes and investors should contact the relevant authorised agent or distributor for further information on availability.

A Holder must have a minimum holding as specified in paragraph 11.2 (or such other number of Units as the Managers may determine from time to time) to join a RSP.

A Holder may opt to invest a minimum sum of S\$100 on a fixed day per month or S\$500 on a fixed day per quarter through Interbank GIRO payment (or such other amounts or in such other currencies as the Managers or the relevant authorised agent or distributor may determine from time to time) (the “**RSP sum**”).

For RSP using cash, Holders must complete an Interbank GIRO Form authorising the payment for the RSP (or such other form or method as the Managers or the relevant authorised agent or distributor may determine from time to time) and submit it together with the relevant application form as required by the authorised agent or distributor.

For RSP using SRS monies, Holders must submit the relevant application form as required by the authorised agent or distributor. RSPs using SRS monies are subject to availability and investors should check with their SRS operator bank before deciding on any RSP using SRS monies.

The RSP sum will be debited from the account indicated on the relevant RSP transaction form on the 25<sup>th</sup> calendar day (or next Business Day if that day is not a Business Day) of (a) each month (in the case of monthly RSP subscriptions) or (b) the last month of each calendar quarter (in the case of quarterly RSP subscriptions), or in each case, such other day as the Managers or the relevant authorised agent or distributor may stipulate. The investment will be made on the same Business Day (or the next Dealing Day if that day is not a Dealing Day) after payment has been debited, with the allotment of Units made normally within 2 Business Days thereafter, or such other day as the Managers or the relevant authorised agent or distributor may stipulate.

In the event that the debit is unsuccessful, no investment will be made for that month or quarter (as the case may be). No notification relating to the unsuccessful debit will be sent to the relevant Holder. After 2 consecutive unsuccessful debits, the RSP will be terminated and no notification of such termination will be sent to the relevant Holder.

The Managers shall not assume any liability for any losses attributable to a Holder's participation in the RSP.

A Holder may terminate his participation in the RSP without penalty upon giving 30 days' written notice to the Managers or the authorised agent or distributor from whom he applied for the RSP.

Investors should note that RSPs are currently only offered and operated directly by authorised agents and distributors of the Managers and that the terms and conditions of RSPs offered by each authorised agent or distributor (including the application and termination procedures, the minimum initial investment amount, the minimum periodic subscription amounts and the periodic basis for the RSP) may vary. Investors should contact the relevant authorised agent or distributor for details of the RSP offered before applying.

### 13. REALISATION OF UNITS

#### 13.1 How Units may be realised

Holders who wish to realise their Units may do so on any Dealing Day. Requests for realisation of Units may be made by submitting realisation forms obtained from the Managers' authorised agents or distributors, or through an ATM (as and when ATM realisations are made available by the Managers or their authorised agents or distributors, if applicable), or any website designated by the Managers, or any other sales channels, if applicable. Requests for realisation of Units should be submitted through the authorised agents or distributors through whom Units were originally purchased.

The Managers may limit the total number of Units of the Fund or Class which Holders may realise on any Dealing Day in the circumstances described in [paragraph 13.6](#) and realisations of Units may be suspended in the situations described in [paragraph 17](#).

#### 13.2 Minimum holding and minimum realisation amount

A Holder may realise his Units in full or partially, but will not be entitled to realise part of his holding of Units if, as a consequence of such realisation, his holding in the relevant Class would be reduced to less than the minimum holding for such Class.

The minimum holding for each Class is set out at [paragraph 11.2](#). Presently, no Holder may realise less than 100 Units in each request.

#### 13.3 Dealing Deadline and pricing basis

Requests for realisation of Units received and accepted by the Managers or any of their authorised agents or distributors by way of realisation forms (or in such other form or manner as may be approved from time to time by the Managers) by the Dealing Deadline (i.e. 3 p.m. Singapore time on any Dealing Day) will be transacted on that day at that Dealing Day's Realisation Price. Requests received and accepted by the Managers or their authorised agents or distributors after the Dealing Deadline or on a day not being a Dealing Day will be transacted on the next Dealing Day at that Dealing Day's Realisation Price.

Units are realised on a forward pricing basis. Therefore, the Realisation Price cannot be ascertained at the time of request. The Realisation Price per Unit is ascertained by the Managers by calculating the net asset value as at the Valuation Point in relation to the Dealing Day on which the realisation request is received and accepted of the proportion of the Deposited Property of the Fund or Class represented by one Unit and truncating the resultant amount to 3 decimal places (or such other method of adjustment or other number of decimal places as determined by the Managers with the approval of the Trustee). The Managers may, if applicable, charge a Realisation Fee which is deducted from the total amount payable to the Holder in respect of the realisation of Units (the "**Gross Realisation Proceeds**"), and the resultant amount (the "**Net Realisation Proceeds**") will be paid to the Holder. The Realisation Fee will be retained by the Managers for their own benefit and the amount of the adjustment aforesaid will be retained by the Fund.

The Managers will generally only permit realisation of Units in the currency of denomination of the Class of Units being realised. The Realisation Price for such Units will be calculated in the relevant Class currency.

If a Holder is resident outside Singapore, the Managers will be entitled to deduct from the total amount which would otherwise be payable to the Holder on the realisation of his Units, an amount equal to the excess of the expenses actually incurred over the amount of expenses, which would have been incurred if the Holder had been resident in Singapore.

For the avoidance of doubt, should a realisation request for Units be received and accepted by the Managers prior to the receipt of the subscription monies in respect of such Units, the Managers may refuse to realise such Units until the Dealing Day following that upon which the subscription monies in respect of such Units have been received by the Trustee.

Bank charges (if any) incurred in respect of a telegraphic transfer of realisation proceeds to a Holder's bank account will be borne by the Holder.

#### 13.4 Numerical example of the computation of Net Realisation Proceeds

The Net Realisation Proceeds payable to a Holder on the realisation of 1,000 Units in Class SGD and on a notional Realisation Price of S\$0.900\* will be calculated as follows:

1,000.00 Units	X	S\$0.900	=	S\$900.00
Your realisation request		Realisation Price *		Gross Realisation Proceeds
S\$900.00	-	S\$0.00	=	S\$900.00
Gross Realisation Proceeds		Realisation Fee (0%) **		Net Realisation Proceeds

\* The example above is hypothetical and is not indicative of any future Realisation Price. The actual Realisation Price will fluctuate according to the then prevailing net asset value. Investors should note that Units in some Classes may be denominated in a currency other than Singapore Dollars.

\*\* There is no Realisation Fee currently charged in respect of the Fund.

#### 13.5 Payment of realisation proceeds

The Net Realisation Proceeds will normally be paid by cheque or credited to the Holder's SRS account, as applicable, within 6 Business Days (or such other period as may be permitted by the Authority) from the Dealing Day on which the realisation form is received and accepted by the Managers or the relevant authorised agent or distributor, unless the realisation of Units has been limited in accordance with paragraph 13.6 below or suspended in accordance with the events set out in paragraph 17 below.

#### 13.6 Limitation on realisation

- (a) The Managers may, with the approval of the Trustee, limit the total number of Units of the Fund or Class which Holders may realise and which the Managers are entitled to have cancelled pursuant to Clauses 14, 15 or 16 of the Deed on any Dealing Day to 10% of the total number of Units of the Fund or Class then in issue (disregarding any Units of the Fund or Class which have been agreed to be issued), such limitation to be applied pro rata to all Holders of the Fund or Class who have validly requested realisations in relation to their Units of the Fund or Class on such Dealing Day and the Managers so that the proportion realised of each holding in the Fund or Class so requested to be realised or cancelled pursuant to Clauses 14, 15 or 16 of the Deed is the same for all Holders of the Fund or Class and the Managers.
- (b) Any Units of the Fund or Class which, by virtue of the powers conferred on the Managers by this paragraph 13.6, are not realised or cancelled (as the case may be) shall be realised or cancelled (subject to any further application of the provisions of this paragraph 13.6) on the next succeeding Dealing Day provided that if on such next succeeding Dealing Day, the total number of Units of the Fund or Class to be cancelled or realised (as the case may be), including those carried forward from any earlier Dealing Day, exceeds such limit, the Managers may further carry forward the requests for realisation or

cancellation (as the case may be) in relation to the Fund or Class until such time as the, total number of Units of the Fund or Class to be realised or cancelled (as the case may be) on a Dealing Day fall within such limit.

- (c) If realisation requests in relation to the Fund or Class are carried forward as aforesaid, the Managers shall give notice to the Holders of the Fund or Class affected thereby within 7 Business Days that such Units have not been realised or cancelled and that (subject as aforesaid) they shall be realised or cancelled on the next succeeding Dealing Day. Realisation requests which have been carried forward from an earlier Dealing Day shall be dealt with in priority to later requests.

## 14. SWITCHING OF UNITS

### 14.1 Switching of Units between Classes

Subject to the provisions of the Deed and such other terms and conditions as the Managers may impose from time to time, each Holder of Units of a Class (in this paragraph called the “**original Class**”) shall have the right from time to time to switch all or any of the Units of the original Class held by him for Units of another Class (in this paragraph called the “**new Class**”) in accordance with the following provisions provided that no switching shall be permitted:

- (i) during the initial offer period of the original Class or the new Class;
- (ii) which would result in the relevant Holder holding Units below the applicable minimum holding (as the case may be) of either the original Class or the new Class; and
- (iii) between Classes which are denominated in different currencies.

The following provisions shall apply in regard to such switching of Units:

- (a) applications for switching may be made via switching forms which may be obtained from authorised agents or distributors of the Managers;
- (b) subject as hereinafter provided, the switching of the Units of the original Class specified in the application shall be made on the Common Dealing Day (as defined below) on which the application is received by the Managers up to the Dealing Deadline on such Common Dealing Day and, for this purpose, a “**Common Dealing Day**” is a day which is both a Dealing Day in relation to Units of the original Class and a Dealing Day in relation to Units of the new Class. If the application is received on a day which is not a Common Dealing Day or is received after the Dealing Deadline on a Common Dealing Day, such application shall be treated as having been received before the Dealing Deadline on the next Common Dealing Day;
- (c) no Units shall be switched during any period when the right of Holders to require the realisation of Units is suspended pursuant to paragraph 17 or on any Common Dealing Day on which the number of Units of the original Class that can be realised by any Holder is limited pursuant to paragraph 13.6;
- (d) the Holder shall not without the consent of the Managers be entitled to withdraw an application duly made in accordance with this paragraph;
- (e) any such switching shall be effected subject to the requirements set out in Clauses 11 and 16 of the Deed, and for the purpose of any such switching each Unit to be switched shall be valued at the Issue Price per Unit as calculated in accordance with paragraph 11.3 and the Realisation Price per Unit as calculated in accordance with paragraph 13.3. For the purposes of the switch, the Managers may waive in whole or in part the Subscription Fee and/or the Realisation Fee (if any);
- (f) switching of the Units of the original Class specified in the application shall be effected by the surrender of such Units and by the issue of Units of the new Class, such surrender and issue taking place on the relevant Common Dealing Day. Such switching shall be effected by the Holder surrendering his Units of the original Class to the Managers who shall thereupon pay to the account of the new Class concerned a sum representing the value of the switched Units of the original Class calculated as aforesaid less

such amount, if any as the Managers may determine to deduct therefrom by way of Switching Fee for each Unit, in consideration of the issue to that Holder of Units in the new Class to the same value as the aforesaid sum representing switched Units of the original Class; and

- (g) Units of the original Class purchased with cash may only be switched with Units of the new Class that may be purchased with cash (and vice versa), and Units of the original Class purchased with SRS may only be switched with Units of the new Class that may be purchased with SRS (and vice versa).

#### 14.2 Switching between Group Funds

Subject to the provisions of the Deed and such other terms and conditions as the Managers may impose from time to time, the Managers may on the application of a Holder effect the switching of Units for units (hereinafter referred to as “**units**”) of any other Group Fund provided that no switching of Units shall be permitted:

- (i) during the initial offer period of the Fund or Class (as the case may be) or during the initial offer period of the units of the relevant Group Fund;
- (ii) which would result in the relevant Holder holding Units below the applicable minimum holding of Units or holding units below the applicable minimum holding of units of the relevant Group Fund; and
- (iii) between Units and units which are denominated in different currencies.

The following provisions shall apply in regard to such switching of Units:

- (a) applications for switching may be made via switching forms which may be obtained from authorised agents or distributors of the Managers;
- (b) subject as hereinafter provided, the switching of the Units specified in the application shall be made on the Common Switching Dealing Day (as defined below) on which the application is received by the Managers up to the Dealing Deadline on such Common Switching Dealing Day and, for this purpose, a “**Common Switching Dealing Day**” is a day which is both a Dealing Day in relation to Units and a Dealing Day in relation to units of the Group Fund. If an application is received on a day which is not a Common Switching Dealing Day or is received after the Dealing Deadline on a Common Switching Dealing Day, such application shall be treated as having been received before the Dealing Deadline on the next Common Switching Dealing Day;
- (c) no Units shall be switched during any period when the right of Holders to require the realisation of Units is suspended pursuant to paragraph 17 or on any Common Switching Dealing Day on which the number of Units that can be realised by any Holder is limited pursuant to paragraph 13.6;
- (d) the Holder shall not without the consent of the Managers be entitled to withdraw an application duly made in accordance with this paragraph;
- (e) any such switching shall be effected subject to the requirements set out in Clause 16 of the Deed, and for the purpose of any such switching each Unit to be switched shall be valued at the Realisation Price per Unit as calculated in accordance with paragraph 13.3;
- (f) switching of Units for units of a Group Fund shall be effected by the Holder surrendering his Units to the Managers who shall thereupon pay to the managers of the Group Fund concerned a sum representing the value of the switched Units calculated as aforesaid less such amount, if any as the Managers may determine to deduct therefrom by way of Switching Fee for each Unit in consideration of the issue to that Holder of units in that Group Fund to the same value as the aforesaid sum representing switched Units;
- (g) in relation to any switch under this paragraph 14.2, neither the Managers nor the Trustee shall have responsibility or liability to ensure that the provisions of the constitutive documents of the Group Fund relating to the issue, realisation or switching of units thereunder are complied with;

- (h) Units purchased with cash may only be switched with units of a Group Fund that may be purchased with cash (and vice versa), and Units purchased with SRS may only be switched with Units of a Group Fund that may be purchased with SRS (and vice versa); and
- (i) **“Group Fund”** means a collective investment scheme the managers of which:
  - (i) is the Managers or a corporation under their control or under common control with them or at least 50% of the share capital of which is held by a corporation which is a shareholder of the Managers; and
  - (ii) has approved the terms of any switch which may be made pursuant to the Deed.

## 15. CANCELLATION OF SUBSCRIPTION FOR UNITS

- 15.1 Subject to the provisions of the Deed and to the terms and conditions for cancellation of subscription in the cancellation form to be provided together with the application form for Units, every Holder will have the right by notice in writing delivered to the Managers or their authorised agents or distributors, to cancel his subscription for Units within 7 calendar days from the date of his initial subscription of the Units (or such longer period as may be agreed between the Managers and the Trustee or such other period as may be prescribed by the Authority) (the **“Cancellation Period”**) provided that where the last day of the Cancellation Period falls on a Sunday or public holiday in Singapore, the Cancellation Period will be extended to the next calendar day not being a Sunday or public holiday in Singapore. However, the Holder will have to take the risk of any price changes in the net asset value of the Fund since the date of his subscription and pay any bank charges, administrative or other fee imposed by the relevant agent or distributor.
- 15.2 A Holder may choose to realise his Units in accordance with paragraph 13 instead of cancelling his subscription for Units but should note that he will not be able to enjoy the benefits of a cancellation under this paragraph 15 if he chooses to realise his Units (i.e. there will be no refund of the Subscription Fee and the prevailing Realisation Fee, if any, may be imposed) and the net realisation proceeds may be lower than the cancellation proceeds if the appreciation in the value of the Units is less than the aggregate of the Subscription Fee and the prevailing Realisation Fee (if any).

*Investors should refer to the terms and conditions for the cancellation of subscriptions in the cancellation form before subscribing for Units.*

## 16. OBTAINING PRICES OF UNITS

The indicative prices of Units will be published in The Straits Times, The Business Times, Lianhe Zaobao and such other local or foreign publications as the Managers may decide upon and can also be obtained from the Managers’ website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers, if applicable, or by calling the Managers’ 24-hour hotline at telephone number 1800 22 22 228. The actual prices quoted will generally be published 2 Business Days after the relevant Dealing Day in Singapore Dollars (for Class SGD Units), in US Dollars (for Class USD Units) and in Japanese Yen (for Class JPY Units). Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned.

*Save for publications of the Managers, the Managers do not accept any responsibility for errors on the part of the publishers concerned in the prices published in the newspapers or such other publication or for any non-publication or late publication of prices by such publishers, and will incur no liability in respect of any action taken or loss suffered by investors upon such publication by such publishers.*

## 17. SUSPENSION OF DEALINGS

- 17.1 Subject to the provisions of the Code, the Managers or the Trustee may, with the prior written approval of the other, suspend the issue and realisation of Units of the Fund or Class during:
- (a) any period when the Recognised Market on which any Authorised Investments forming part of the Deposited Property of the Fund for the time being are listed or dealt in is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

- (b) the existence of any state of affairs which, in the opinion of the Managers and the Trustee, might seriously prejudice the interests of the Holders in relation to the Fund or Class as a whole or of the Deposited Property of the Fund;
- (c) any breakdown in the means of communication normally employed in determining the price of any of such Authorised Investments, or the current price on the relevant Recognised Market, or when for any reason the prices of any of such Authorised Investments, or the amount of any liability of the Trustee and/or the Managers for the account of the Fund, cannot be promptly and accurately ascertained (including any period when the fair value of a material portion of the Authorised Investments cannot be determined);
- (d) any period when remittance of moneys which will or may be involved in the realisation of such Authorised Investments or in the payment for such Authorised Investments for the time being constituting the Deposited Property cannot, in the opinion of the Managers and the Trustee, be carried out at normal rates of exchange;
- (e) any period whereby dealing of Units has to be suspended to effect the subdivision or consolidation of Units;
- (f) any period when the dealing of Units is suspended pursuant to any order or direction of the Authority;
- (g) any 48 hour period (or such longer period as may be agreed between the Managers and the Trustee) prior to the date of any meeting of Holders of the Fund or Class (or any adjourned meeting thereof);
- (h) any period when the business operations of the Managers or the Trustee in relation to the operation of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolutions, civil unrest, riots, strikes or acts of God;
- (i) exceptional circumstances, where the Managers have determined that such suspension is in the best interest of the Holders; or
- (j) any period when dealings in any underlying entity in which the Fund is invested are suspended.

17.2 Subject to the provisions of the Code, the Managers and/or the Trustee (as the case may be) may from time to time also suspend the issue and/or realisation of Units in certain situations as set out in the Deed, including suspending the realisation of Units for such reasonable period as may be necessary to effect an orderly redemption of investments in accordance with Clause 16.10 of the Deed, by giving notice to affected Holders within the period set out in the Deed.

17.3 Subject to the provisions of the Code, such suspension will take effect forthwith upon the declaration in writing thereof to the Trustee by the Managers (or, as the case may be, to the Managers by the Trustee) and will terminate as soon as practicable when the condition giving rise to the suspension shall have ceased to exist and no other condition under which such suspension is authorised under paragraphs 17.1 and 17.2 above shall exist upon the declaration in writing thereof by the Managers (or, as the case may be, the Trustee), and in any event, within such period as may be prescribed by the Code. The period of suspension may be extended in accordance with the Code. Any payment for any Units realised before the commencement of any such suspension but for which payment has not been made before the commencement thereof may, if the Managers and the Trustee so agree, be deferred until immediately after the end of such suspension.

## **18. PERFORMANCE OF THE FUND**

### **18.1 Performance of the Fund**

As the Fund and its Classes are newly established, a track record of at least 1 year is not available for the Fund and its Classes at the time of lodgement of this Prospectus.

The benchmark against which the performance of the Fund and its Classes will be measured is the MSCI Japan SMID Cap Index.

## 18.2 Expense ratio and turnover ratio

As the Fund is newly established, the audited accounts for the Fund are not available at the time of lodgement of this Prospectus. As such, no expense ratio or turnover ratio is currently available.

The expense ratio is calculated in accordance with the requirements in the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios (the "**IMAS Guidelines**") and based on figures in the Fund's latest audited accounts. The following expenses (where applicable) as set out in the IMAS Guidelines (as may be updated from time to time), are excluded from the calculation of the expense ratio:

- (a) brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- (b) foreign exchange gains and losses, whether realised or unrealised;
- (c) front-end loads, back-end loads and other costs arising on the purchase or sale of other funds;
- (d) tax deducted at source or arising on income received, including withholding tax;
- (e) interest expense; and
- (f) dividends and other distributions paid to the Holders.

The turnover ratio is calculated based on the lesser of purchases or sales expressed as a percentage over the average daily net asset value of the Deposited Property.

## 19. **SOFT DOLLAR COMMISSIONS/ARRANGEMENTS**

Subject to the provisions of the Code, the Managers may from time to time receive and/or enter into soft-dollar commissions/arrangements in respect of the Fund. The Managers will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions/arrangements may include specific advice as to the advisability of dealing in, or as to the value of any investments, research and advisory services, economic and political analyses, portfolio analyses including valuation and performance measurements, market analyses data and quotation services, computer hardware and software or any other information facilities to the extent that they are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis and custodial service in relation to the investments managed for clients.

Soft-dollar commissions/arrangements will not include travel, accommodation, entertainment, general administrative goods and services, general office equipment or premises, membership fees, employees' salaries or direct money payment.

The Managers may not accept or enter into soft-dollar commissions/arrangements unless (a) such soft-dollar commissions/arrangements can reasonably be expected to assist them in the management of the Fund, (b) best execution is carried out for the transactions, and (c) no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements. The Managers do not, and are not entitled to, retain cash or commission rebates for their own account in respect of rebates earned when transacting in securities for account of the Fund.

The Sub-Managers do not receive or enter into soft-dollar commissions/arrangements in respect of the sub-management of the Fund.

## 20. **CONFLICTS OF INTEREST**

The Managers are of the view that there is no conflict of interest in managing their other funds and the Fund because of the following structures in place:

- (a) Investment decisions for the Fund are made impartially. There are no preferred customers or funds and all accounts are treated equally.
- (b) All investment ideas are shared equally among fund managers.

- (c) The Managers subscribe to the Code of Ethics and the Standards of Professional Conduct as prescribed by the Chartered Financial Analyst Institute (“**CFA Institute**”) in the United States of America. The CFA Institute is the primary professional organisation for security analysts, investment managers and others who are involved in the investment decision-making process. All Certified Financial Analyst charter holders of CFA Institute and candidates who are in pursuit of the charter, including those from Singapore, are expected to comply with CFA Institute standards. The Code of Ethics and the Standards of Professional Conduct are in place to ensure high ethical and professional standards of the investment professionals as well as fair treatment of the investing public.
- (d) In addition, despite the possible overlap in the scope of investments, none of the funds are identical to one another and investment decisions are made according to the individual risk-return characteristic of the Fund.
- (e) Most importantly, the Managers’ usual fair and unbiased practice is to allocate investment between various funds which place the same orders simultaneously on a *pro rata* basis. However, should any potential conflicts of interest arise from a situation of competing orders for the same securities, the Managers will adopt an average pricing policy whereby orders that are partially fulfilled on a particular day will be allotted proportionately among the funds based on their respective initial order size and such quantity allotted will be at the average price of such investments on that particular day.

The Managers and the Trustee will conduct all transactions for and on behalf of the Fund on an arm’s length basis.

Associates of the Trustee may be engaged to provide banking, brokerage or financial services to the Fund or buy, hold and deal in any investments, enter into contracts or other arrangements with the Trustee and make profits from these activities. Such services to the Fund, where provided, and such activities with the Trustee, where entered into, will be on an arm’s length basis.

The Managers, their related entities, officers or employees may from time to time invest and deal in Units in the Fund for their respective individual accounts or (in the case of the Managers and their related entities) for the account of another person (including, without limitation, their other clients).

In such an event, the Managers will have regard to their obligations to the Fund and, in particular, their obligation to act in the best interests of the Fund and its Holders so far as practicable, having regard to applicable laws and their obligations to their other clients. In the event that a conflict of interest does arise, the Managers will endeavour to ensure that such conflict is resolved fairly.

Subject to the provisions of the Code, the Managers may from time to time invest monies of the Fund in the securities of any of their related corporations (as defined in Section 6 of the Companies Act, Chapter 50 of Singapore) (if more than one, “**Related Corporations**” and each, a “**Related Corporation**”). The Managers may also invest monies of the Fund in other collective investment schemes managed by the Managers or their Related Corporations, and deposit monies of the Fund in the ordinary course of business of the Fund with their Related Corporations which are banks licensed under the Banking Act, Chapter 19 of Singapore, finance companies licensed under the Finance Companies Act, Chapter 108 of Singapore, merchant banks approved as financial institutions under Section 28 of the Monetary Authority of Singapore Act, Chapter 186 of Singapore or any other deposit-taking institution licensed under an equivalent law in a foreign jurisdiction. The Managers will endeavour to ensure that such investments and deposits are made on normal commercial terms and are consistent with the investment objective, focus and approach of the Fund.

## 21. REPORTS

The financial year-end of the Fund is 31 December. The annual report, auditors’ report on annual accounts and annual accounts of the Fund will be sent or made available to Holders (by post or by such electronic means as may be permitted under the Code) within 3 months of the financial year-end to which the reports and accounts relate (or such other period as may be permitted by the Authority). The semi-annual report and semi-annual accounts of the Fund will be sent or made available to Holders (by post or by such electronic means as may be permitted under the Code) within 2 months of the financial half-year end to which the report and accounts relate (or such other period as may be permitted by the Authority).

If such accounts and reports are sent or made available to Holders by electronic means, the Trustee will also make available or cause to be made available hardcopies of the accounts and reports to any Holder who requests for them within 2 weeks of such request (or such other period as may be permitted by the Authority). Holders may also at any time choose to receive hardcopies of all future accounts and reports at no cost to them, by notifying the relevant authorised agent or distributor in writing.

## 22. QUERIES AND COMPLAINTS

All enquiries and complaints about the Fund should be directed to the Managers at:

24 hour Hotline No : 1800 22 22 228  
Fax No : 6532 3868  
Email : [uobam@uobgroup.com](mailto:uobam@uobgroup.com)

## 23. OTHER MATERIAL INFORMATION

### 23.1 Market timing

The Fund is designed and managed to support its investment objective, focus and approach for the duration of the Fund. In this regard, the Managers take a serious view of, and strongly discourage the practice of market timing (that is, investors conducting short-term buying or selling of Units to gain from inefficiencies in pricing) as such practices may cause an overall detriment to the interests of other investors.

In addition, short-term trading in Units increases the total transaction costs of the Fund, such as trading commission and other costs which are absorbed by all other investors. Moreover, the widespread practice of market timing may cause large movements of cash in the Fund, which may disrupt the investment strategies to the detriment of other investors.

For the reasons set out above, the Managers strongly discourage the practice of market timing and may implement internal measures to monitor and control such practice. If any internal measure to restrict the practice of market timing amounts to a significant change to the Fund (as provided in the Code), the Managers will inform Holders of such internal measure not later than one month before its implementation. The Managers intend to review their policy on market timing from time to time in a continuous effort to protect the interests of investors in the Fund.

### 23.2 Valuation

Except where otherwise expressly stated in the Deed and subject always to the requirements of the Code, the value of the assets comprised in the Deposited Property of the Fund with reference to any Authorised Investment which is:

- (a) a Quoted Investment, shall be calculated, as the case may be, by reference to the official closing price, the last known transacted price or the last transacted price (or, with the prior approval of the Trustee, the last bid price) as at the last official close on the relevant Recognised Market (or at such other time as the Managers may from time to time after consultation with the Trustee determine). Where such Quoted Investment is listed, dealt or traded in more than one Recognised Market, the Managers (or such person as the Managers may appoint for the purpose) may in their absolute discretion select any one of such Recognised Market for the foregoing purposes and, if there is no such official closing price, last known transacted price or last transacted price, the value shall be calculated by reference to the last available prices quoted by responsible firms, corporations or associations on a Recognised Market at the time of calculation (or at such other time as the Managers may from time to time after consultation with the Trustee determine), and where there is no Recognised Market, the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker, then such market maker as the Managers shall designate);
- (b) an Unquoted Investment, shall be calculated by reference to, where applicable: (i) the initial value thereof being the amount expended in the acquisition thereof; (ii) the price of the relevant Investment as quoted by a person, firm or institution making a market in that Investment, if any (and if there shall be more than one such market maker then such market maker as the Managers may designate), as may be

determined by the Managers to represent the fair value of such Investment; (iii) the sale prices of recent public or private transactions in the same or similar Investments, valuations of comparable companies or discounted cash flow analysis, as may be determined to represent the fair value of such Investment. In the valuation of such Investment, the Managers may take into account relevant factors including, without limitation, significant recent events affecting the issuer such as pending mergers and acquisitions and restrictions as to saleability or transferability;

- (c) cash, deposits and similar assets shall be valued (by a person approved by the Trustee as qualified to value such cash, deposits and similar assets) at their face value (together with accrued interest) unless, in the opinion of the Managers (after consultation with the Trustee), any adjustment should be made to reflect the value thereof;
- (d) a unit or share in a unit trust scheme or mutual fund or collective investment scheme shall be valued at the latest published or available net asset value per unit or share, or if no net asset value per unit or share is published or available, then at their latest available realisation price; and
- (e) an Investment other than as described above, shall be valued by a person approved by the Trustee as qualified to value such an Investment in such manner and at such time as the Managers after consultation with the Trustee shall from time to time determine,

provided that, if the quotations referred to in paragraphs 23.2(a) to 23.2(e) above are not available, or if the value of the Authorised Investment determined in the manner described in paragraphs 23.2(a) to 23.2(e) above is determined by the Managers with due care and in good faith to not be representative of the value of such Authorised Investment, then the value shall be such value as the Managers may with due care and in good faith consider in the circumstance to be the fair value and is approved by the Trustee. The Managers shall notify the Holders of such change if required by the Trustee. For the purposes of this proviso, the “**fair value**” shall be determined by the Managers in consultation with a stockbroker or an approved valuer and with the approval of the Trustee in accordance with the Code. Where the fair value of a material portion of the Deposited Property of the Fund cannot be determined, the Managers shall, subject to the provisions of the Code, suspend valuation and dealing in the Units of the Fund.

### 23.3 Indemnities and protection accorded to the Managers and/or the Trustee

- (a) In the absence of fraud or negligence or wilful breach of the Deed by the Managers or the Trustee, neither the Managers nor the Trustee shall incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by them or it (as applicable) in good faith under the Deed.
- (b) The Managers shall not be under any liability except such liability as may arise by operation of law or as may be assumed by them under the Deed nor shall the Managers (save as otherwise appears in the Deed) be liable for any act or omission of the Trustee.
- (c) The Managers shall not be under any liability on account of anything done or suffered to be done by the Managers in good faith in accordance with or in pursuance of any request or advice of the Trustee or the Trustee’s delegates. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given by the Trustee (or its delegates) to the Managers, the Managers may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Trustee (or the relevant delegate) by any one person whose signature the Managers are for the time being authorised by the Trustee (or as the case may be, by the relevant delegate) to accept and may act on verbal, written, electronic mail and facsimile instructions given by authorised officers of the Trustee (or the relevant delegate) specified in writing by the Trustee (or as the case may be, by the relevant delegate) to the Managers.
- (d) The Managers may act upon any advice of or information obtained from the Trustee or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Managers shall not be liable for anything done or omitted or suffered in reliance upon such advice or information provided the Managers have acted in good faith. The Managers shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the

Trustee. Any such advice or information may be obtained or sent by electronic mail, letter or facsimile and the Managers shall not be liable for acting on any advice or information purported to be conveyed by any such electronic mail, letter or facsimile although the same contains some error or is not authentic.

- (e) Nothing contained in the Deed shall prevent the Managers or any Associate thereof from contracting or entering into any financial, banking or any other type of transaction with the Trustee (when acting other than in its capacity as trustee of the Fund), the Fund or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction. The Managers or any Associate thereof shall not be liable to account to the Fund, the Trustee, the Holders or any of them for any profits or benefits made or derived from or in connection with any such transaction provided that any such transaction shall be on an arm's length basis.
- (f) The Trustee shall not be under any liability on account of anything done or suffered to be done by the Trustee in good faith in accordance with or in pursuance of any request or advice of the Managers or the delegates or distributors appointed by the Managers. Whenever pursuant to any provision of the Deed, any certificate, notice, instruction or other communication is to be given by the Managers (or the delegates or distributors appointed by the Managers) to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Managers (or the relevant delegate or distributor) by any one person whose signature the Trustee is for the time being authorised by the Managers (or as the case may be, by the relevant delegate or distributor) to accept, and may act on verbal, written, electronic mail and facsimile instructions given by authorised officers of the Managers (or the relevant delegate or distributor) specified in writing by the Managers (or as the case may be, by the relevant delegate or distributor) to the Trustee.
- (g) The Trustee may act upon any advice of or information obtained from the Managers or any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee or the Managers and the Trustee shall not be liable for anything done or omitted or suffered in reliance upon such advice or information provided the Trustee has acted in good faith. The Trustee shall not be responsible for any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or of the Managers. Any such advice or information may be obtained or sent by electronic mail, letter or facsimile and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such electronic mail, letter or facsimile although the same contains some error or is not authentic.
- (h) Except if and so far as the Deed otherwise expressly provides, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in it have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and time for the exercise thereof and in the absence of proven fraud or negligence the Trustee shall not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- (i) Nothing contained in the Deed shall prevent the Trustee or an Associate thereof from contracting or entering into any financial, banking or any other type of transaction with each other or with the Managers, the Fund or any Holder or any company or body any of whose shares or other securities form part of the Deposited Property or from being interested in any such contract or transaction provided that any such transaction shall be on an arm's length basis. The Trustee or any Associate thereof shall not be liable to account either to the Fund, the Managers, the Holders or any of them for any profits or benefits made or derived from or in connection with any such transaction provided that any such transaction shall be on an arm's length basis.
- (j) In no event shall a Holder have or acquire any rights against the Trustee and the Managers or either of them except as expressly conferred on the Holder by the Deed nor shall the Trustee be bound to make any payment to any Holder except out of the funds held by it or paid to it for that purpose under the provisions of the Deed.
- (k) The Trustee shall not be under any obligation to institute, acknowledge service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions of the Deed or in respect of the Deposited Property or any part thereof or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability, unless the Managers shall so request in writing, and shall so often as required by the Trustee furnish it with an indemnity satisfactory to it against any

such expense or liability. Nothing in this paragraph 23.3(k) shall require or be deemed to require the Managers to make any such request or to agree to the provision of any such indemnity to the Trustee for the purpose of securing the action of the Trustee under this paragraph.

- (l) The Trustee shall not be responsible for verifying or checking any valuation of the Deposited Property or any part thereof or any calculation of the prices at which Units are to be issued or realised, except as expressly provided in the Deed, but shall be entitled at any time to require the Managers to justify the same.
- (m) Subject as expressly provided in the Deed, the Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Trustee to have recourse to the Deposited Property or any part thereof but this shall be without prejudice to the obligation of the Managers to reimburse the Trustee out of the Deposited Property in respect of all such matters as fall within Clause 35 of the Deed.
- (n) The Trustee shall not (save as otherwise appears in the Deed) be liable for any act or omission of the Managers.
- (o) Neither the Managers nor the Trustee shall incur any liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganisation or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- (p) Neither the Managers nor the Trustee shall incur any liability to the Holders for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court of competent jurisdiction, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or either of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Deed, neither the Managers nor the Trustee shall be under any liability therefor or thereby.
- (q) Neither the Trustee nor the Managers shall be responsible for any authenticity of any signature or of any seal affixed to any endorsement on any certificate or to any transfer or form of application, endorsement or other document (sent by mail, facsimile, electronic means or otherwise) affecting the title to or transmission of Units or be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer or other document or for acting upon or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Managers respectively shall nevertheless be entitled but not bound to require that the signature of any person to any document required to be signed by him under or in connection with the Deed shall be verified to its or their reasonable satisfaction.
- (r) Neither the Trustee nor the Managers shall be responsible for acting upon any resolution purported to have been passed at any meeting of the Holders in respect whereof minutes shall have been made and signed even though it may be subsequently found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not binding upon all the Holders.
- (s) Any indemnity expressly given to the Managers or the Trustee in the Deed is in addition to and without prejudice to any indemnity allowed by law provided that no provision in the Deed shall in any case where the Trustee or the Managers have failed to show the degree of care and diligence required of them as trustee and manager of the Fund, exempt them or indemnify them against any liability for breach of trust.
- (t) Nothing contained in the Deed shall be construed so as to prevent the Managers and the Trustee in conjunction or the Managers or the Trustee separately from acting as managers or trustees of funds separate and distinct from the Fund and neither of them shall in any way be liable to account to the Fund or any other person for any profit or benefit made or derived hereby or in connection therewith.

- (u) The Trustee and the Managers may accept as sufficient evidence of the value of any Authorised Investment or the cost price or sale price thereof or of any market quotation a certificate by a stockbroker or any other person, firm or association qualified in the opinion of the Managers and Trustee to provide such a certificate. At all times and for all purposes of the Deed, the Trustee and the Managers may rely upon the established practice and rulings of any Recognised Market and any committees and officials thereof on which any dealing in any Authorised Investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under the Deed.
- (v) Neither the Managers nor the Trustee shall be liable for any loss suffered by the Deposited Property or any Holder for any loss or damage arising from reasons or crisis beyond its or their control, or the control of any of its or their respective employees including without limitation nationalisation, expropriation, acts of war, terrorism, insurrection, revolution, civil interest, riots, strikes, nuclear fission or acts of God.
- (w) Neither the Trustee nor the Managers shall be liable for any lost profits, economic loss or indirect, special or consequential losses and damages suffered by the Fund or any Holder.

#### 23.4 Custody of Deposited Property

- (a) The Trustee shall be responsible for the safe custody of the Deposited Property. Any Authorised Investments forming part of the Deposited Property shall, whether in registered or bearer form, be paid or transferred to the order of the Trustee forthwith on receipt by the Managers and be dealt with as the Trustee may think proper for the purpose of providing for the safe custody thereof. The Trustee may act as custodian itself or may appoint such persons (including any Associate of the Trustee) as custodian or joint custodian (with the Trustee if acting as custodian or with any other custodian appointed by the Trustee) of the whole or any part of the Deposited Property and (where the Trustee is custodian) may appoint or (where the Trustee appoints a custodian) may empower such custodian or joint custodian (as the case may be) to appoint, with prior consent in writing from the Trustee, sub-custodians. The fees and expenses of any such custodian, joint custodian or sub-custodian shall be paid out of the Deposited Property.
- (b) The Trustee may at any time procure that:
  - (i) the Trustee;
  - (ii) any officer of the Trustee jointly with the Trustee;
  - (iii) any nominee appointed by the Trustee;
  - (iv) any such nominee and the Trustee;
  - (v) any custodian, joint custodian or sub-custodian appointed pursuant to paragraph 23.4(a) above;
  - (vi) any company operating a depository or recognised clearing system in respect of the Authorised Investments involved; or
  - (vii) any broker, financial institution or other person (or in each case, its nominee) with whom the same is deposited in order to satisfy any requirement to deposit margin or security,

takes delivery of and retains and/or is registered as proprietor of any Authorised Investment in registered form held upon the trusts of the Deed.
- (c) Notwithstanding anything contained in the Deed:
  - (i) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any depository or clearing system with which Authorised Investments may be deposited or any broker, financial institution or other person (or in each case its nominee) with whom Authorised Investments are deposited in order to satisfy any margin requirement (each, a “**Depository**”), except where (i) the Trustee is responsible for

procuring the Depository and the Trustee has failed to exercise reasonable skill and care in the procurement of such Depository in respect of the Authorised Investments involved, or (ii) the Trustee is in wilful default;

- (ii) the Trustee shall not incur any liability in respect of or be responsible for losses incurred through the insolvency of or any act or omission of any nominee, custodian, joint custodian or sub-custodian appointed by the Trustee except where (i) the Trustee has failed to exercise reasonable skill and care in the selection, appointment and monitoring of such appointee (having regard to the market in which the relevant appointee is located), or (ii) the Trustee is in wilful default; and
- (iii) the Trustee shall not incur any liability in respect of or be responsible for losses through the insolvency of or any act or omission of any sub-custodian not appointed by it, except where the Trustee has failed to exercise reasonable skill and care in the procurement of such sub-custodian.

### 23.5 Termination of the Fund

- (a) The Fund is of indeterminate duration and may be terminated as provided in this paragraph 23.5.
- (b) Either the Managers or the Trustee may in their absolute discretion terminate the Fund by giving not less than two months' notice to the other provided that such termination shall take effect no earlier than five years after the date of the Deed.
- (c) Termination by the Trustee:
  - (i) Notwithstanding paragraph 23.5(b), the Fund may be terminated by the Trustee if:
    - (1) any law is passed or any direction is given by the relevant authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Fund; or
    - (2) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the SFA; or
    - (3) within the period of 3 months after the date on which the Trustee gave notice in writing to the Managers that it wishes to retire pursuant to Clause 38.2 of the Deed, a new trustee has not been appointed in accordance with that Clause; or
    - (4) new managers have not been appointed in accordance with Clause 37.3 of the Deed, within the period of 3 months after the date on which the Trustee gave notice in writing to the Managers pursuant to Clause 37.1 of the Deed; or
    - (5) within the period of 3 months from the date of the Managers giving notice of intent to retire (or such longer period as the Managers and the Trustee may mutually agree in writing), new managers have not been appointed in accordance with the terms of Clause 37.3 of the Deed.

The decision of the Trustee in any of the events specified in this paragraph 23.5(c)(i) shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate the Fund pursuant to this paragraph 23.5(c)(i) or otherwise.

- (d) Termination by the Managers:
  - (i) Notwithstanding paragraph 23.5(b), the Fund may be terminated by the Managers:
    - (1) on any date if on such date the aggregate of the value of the Deposited Property of the Fund is less than S\$10,000,000; or
    - (2) if the Trustee is no longer an approved trustee pursuant to Clause 38.3 of the Deed and a new trustee has not been appointed in accordance with the terms of the Deed;

- (3) if any law is passed or any direction is given by the relevant authority which renders it illegal or in the reasonable opinion of the Managers impracticable or inadvisable to continue the Fund;
- (4) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the SFA;
- (5) in the event of the amalgamation, reconstruction, reorganisation, dissolution, liquidation, merger or consolidation of any underlying entity corresponding to the Fund, or a change in the managers or investment adviser of any such underlying entity; or
- (6) if in the reasonable opinion of the Managers, with the Trustee's prior approval, it becomes impracticable or inadvisable to continue the Fund in the interest of the Holders.

Subject to paragraph 23.5(d)(i)(6) the decision of the Managers in any of the events specified in paragraph 23.5(d)(i) shall be final and binding upon the Trustee and the Holders but the Managers shall be under no liability on account of any failure to terminate the Fund pursuant to paragraph 23.5(d)(i) or otherwise.

- (e) Notice of Termination: The party terminating the Fund in accordance with paragraph 23.5 shall give notice in writing of such termination to the Holders and by such notice fix the date at which such termination is to take effect which date shall not be less than two months or such other period as may be determined by the Managers with the Trustee's approval after the service of such notice (or such other date as may be necessary to comply with any law).
- (f) Extraordinary Resolution: The Fund may at any time be terminated by the Holders by Extraordinary Resolution and such termination shall take effect on the date on which the Extraordinary Resolution is passed or on such later date (if any) as the Extraordinary Resolution may provide.
- (g) The Managers shall give written notice of the termination of the Fund to the Authority at least 7 days before termination of the Fund (or such other number of days as may be required by the Authority).
- (h) Provided that the Holders of Units of the Fund or Class have been circulated with the particulars of a scheme of reconstruction or amalgamation to be entered into with the managers and the trustee of some other unit trust scheme or open-ended investment company and an Extraordinary Resolution of such Holders of Units of the Fund or Class has been duly passed authorising and directing the Managers and the Trustee to enter into the said scheme, then the said scheme shall take effect upon the passing of such Extraordinary Resolution or upon such later date as the scheme may provide, whereupon (i) the Deed shall, to the extent inconsistent with the scheme, be amended by the terms of the scheme, and (ii) the terms of such scheme shall be binding upon all the Holders of Units of the Fund or Class who shall be bound to give effect thereto accordingly and the Managers and the Trustee shall do all such acts and things as may be necessary for the implementation thereof.

### 23.6 Termination of a Class

- (a) Any Class established shall be of indeterminate duration and may be terminated in accordance with this paragraph 23.6.
- (b) Either the Managers or the Trustee may in their absolute discretion terminate any Class by not less than one month's notice to the other. If the Class is to be terminated under this paragraph 23.6, the Managers or the Trustee (as the case may be) shall give notice thereof in writing to the Holders of that Class not less than one month in advance of such termination.
- (c) A Class may be terminated by the Trustee if any law is passed or any direction is given by the relevant authority which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue that Class. The decision of the Trustee in such event shall be final and binding upon the Managers and the Holders but the Trustee shall be under no liability on account of any failure to terminate the Class pursuant to this paragraph 23.6(c) or otherwise.

- (d) A Class may be terminated by the Managers:
- (i) if the Units of that Class in issue fall below a number to be determined by the Managers; or
  - (ii) if any law is passed or any direction is given by the relevant authority which renders it illegal or in the reasonable opinion of the Managers impracticable or inadvisable to continue the Class;
  - (iii) if the Authority revokes or withdraws the authorisation of the Fund under Section 288 of the SFA; or
  - (iv) if in the reasonable opinion of the Managers with the Trustee's prior approval it becomes impracticable or inadvisable to continue that Class in the interest of the Holders of that Class.

Subject to paragraph 23.6(d)(iv), the decision of the Managers in any of the events specified in this paragraph 23.6(d) shall be final and binding upon the Trustee and the Holders of the Class but the Managers shall be under no liability on account of any failure to terminate the Class pursuant to this paragraph 23.6(d) or otherwise.

- (e) The party terminating the Class in accordance with paragraph 23.6 shall give notice in writing of such termination to the Holders of the Class and by such notice fix the date at which such termination is to take effect which date shall not be less than one month after the service of such notice (or such other date as may be necessary to comply with any law).
- (f) A Class may at any time be terminated by the Holders of that Class by Extraordinary Resolution and such termination shall take effect on the date on which the Extraordinary Resolution is passed or on such later date (if any) as the Extraordinary Resolution may provide.

#### 23.7 Information on investments

At the end of each quarter, Holders will receive a statement showing the value of their investment in the Fund. However, if a Holder conducts any transaction(s) within a particular month, he/she will receive an additional statement at the end of that month.

#### 23.8 Voting

Subject to the relevant provisions of the Deed, the Managers may exercise or refrain from exercising any rights of voting conferred by any of the Deposited Property in what they may consider to be the best interests of the Holders.

However, notwithstanding the above, in respect of voting rights where the Managers may face conflicts of interests, the Managers shall cause these votes to be exercised in consultation with the Trustee.

The phrase "**rights of voting**" or the word "**vote**" used in this paragraph 23.8 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any part of the Deposited Property and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

**UNITED JAPAN SMALL AND MID CAP FUND**  
(Constituted in Singapore pursuant to the Trust Deed dated 27 September 2013)

**FIRST SUPPLEMENTARY PROSPECTUS DATED 15 JULY 2014**

A copy of this First Supplementary Prospectus has been lodged with the Monetary Authority of Singapore who assumes no responsibility for the contents.

This First Supplementary Prospectus is lodged pursuant to Section 298 of the Securities and Futures Act (Chapter 289 of Singapore) and is supplemental to the prospectus relating to the United Japan Small and Mid Cap Fund (the “**Fund**”) registered on 30 September 2013 (the “**Prospectus**”).

Terms used in this First Supplementary Prospectus will have the meaning and construction ascribed to them in the Prospectus and unless otherwise specified references to “**paragraph**” are to the paragraphs of the Prospectus. This First Supplementary Prospectus is to be read and construed in conjunction and as one document with the Prospectus.

This First Supplementary Prospectus sets out the amendments made to the Prospectus in relation to the inclusion of a new class of units in the Fund and other amendments.

The following amendments will take effect from the date of this First Supplementary Prospectus:

1. The second sub-paragraph of paragraph 1.5 is deleted and replaced with the following:

“The Fund shall consist of one or more Classes<sup>1</sup> of Units, with each Class bearing different characteristics such as their currency of denomination, minimum threshold amounts for subscription, holding and realisation, distribution policy, eligibility requirements, mode of investment, the availability of RSP (as defined in paragraph 12 below) and whether the relevant Class is a Hedged Class. A separate net asset value per Unit (in the currency of denomination of the relevant Class), which may differ as a consequence of such variable factors, will be calculated for each Class. Save for such differences, Holders of each Class have materially the same rights and obligations under the Deed. Investors should note that the assets of the Fund are pooled and invested as a single fund and are not segregated in respect of each Class thereof.”

2. The table in paragraph 1.5 is deleted and replaced with the following table:

“

<b>Name of Class</b>	<b>Currency of denomination</b>
Class SGD	Singapore dollar
Class SGD (Hedged)	Singapore dollar
Class USD	United States dollar
Class JPY	Japanese Yen

A “**Hedged Class**” or a Class with “(Hedged)” in its name (e.g. Class SGD (Hedged)) denotes a Class to which the currency hedging strategy as described under the heading “Hedged Classes” in paragraph 10.2(c) is applied.”

3. Paragraph 10.2(c) is deleted and replaced with the following:

“(c) Foreign exchange and currency risk

*General*

The Fund is denominated in Singapore dollars. Where investments are made by the Fund in the form of foreign currency denominations, fluctuations of the exchange rates of other foreign currencies against the Singapore dollar may affect the value of the Units. In the management of the Fund, the Managers may hedge the foreign currency exposure of the Fund and may adopt an active or passive currency

---

<sup>1</sup> A “**Class**” refers to any class of Units in the Fund which may be designated as a class distinct from another class in the Fund as may be determined by the Managers from time to time.

management approach (as the case may be). However, the foreign currency exposure of the Fund may not be fully hedged depending on the circumstances of each case. Such circumstances shall include but are not limited to the outlook, hedging costs and market liquidity of the relevant currency.

Additionally, the Fund may have Classes of Units that are denominated in currencies other than the base currency of the Fund. For instance, Class USD Units of the Fund are denominated in United States dollars, which is not the base currency of the Fund. Changes in the exchange rate between the base currency of the Fund and the currency of denomination of any such Class may adversely affect the value of the Units of such Class, as expressed in the currency of denomination of the Class. Subject to the same considerations in the foregoing sub-paragraph, the Managers may or may not mitigate the exchange rate risks to the extent of the value of the assets of the Fund attributed to such Class by hedging such foreign exchange exposure, and to the extent that they do not do so, investors of the relevant Class will be exposed to exchange rate risks. Investors should note that although a financial instrument used to mitigate such exchange rate risks is not in relation to the other Classes of Units within the Fund, the financial instrument will comprise the assets (or liabilities) of the Fund as a whole. The gains (or losses) on and the costs of the relevant financial instruments will, however, accrue solely to the relevant Class of Units of the Fund.

#### *Hedged Classes*

The Fund may offer for subscription Units in the Hedged Classes e.g. Class SGD (Hedged). In the case of Hedged Classes, the Managers are currently adopting a passive hedging policy (and may adopt such other hedging policy as the Managers may from time to time determine) to hedge the currency in which the relevant Hedged Class is denominated (the “**Hedged Currency**”) against the currency or currencies in which the underlying assets of the Fund are denominated (the “**Portfolio Currency**”).

The effects of hedging will be reflected in the value of the Hedged Class. A Hedged Class allows the Managers to use currency hedging transactions to reduce the effect of exchange rate fluctuations between the Portfolio Currency and the Hedged Currency. The aim is that the Hedged Class should reflect the actual return of the Portfolio Currency within the Fund, as applicable, plus or minus the interest rate differential between the Hedged Currency and the Portfolio Currency. However, other factors will impact the return of the Hedged Class which will mean that the Hedged Class will not perfectly achieve this aim. These factors include but are not limited to:

- (i) any unrealised profit/loss on the currency forward remains uninvested until the hedge is rolled over and any profit or loss is crystallised;
- (ii) transaction costs;
- (iii) short term interest rate changes;
- (iv) the timing of the market value hedge adjustments relative to the Fund’s valuation point; and
- (v) intra-day volatility of the value of the Portfolio Currency in relation to the existing hedge.

The cost and expenses associated with the hedging transactions in respect of a Hedged Class and any benefits of the hedging transactions will accrue to Holders in that Hedged Class only.

Subject to the provisions of the Code, the Managers will aim to hedge not more than 100% of the proportion of the net asset value attributable to the relevant Hedged Class. When assessing the hedging transactions in respect of a Hedged Class, both the capital and income values of the Hedged Class will be taken into account.

It should be noted that hedging transactions may be entered into whether or not the Hedged Currency is declining or increasing in value relative to the Portfolio Currency; consequently, where such hedging is undertaken, it may protect investors in the relevant Hedged Class against a decrease in the value of the currency being hedged but it may also preclude investors from benefiting from an increase in the value of such currency. Investors in a Hedged Class will still be exposed to the market risks that relate to the underlying investments in the Fund and any exchange rate risks of the Fund that are not fully hedged.

There can be no guarantee that the hedging strategy applied in a Hedged Class will entirely eliminate the adverse effects of changes in exchange rates between the Portfolio Currency and the Hedged Currency.”

4. The table in paragraph 11.2 is deleted and replaced with the following table:

“

Name of Class	Class SGD	Class SGD (Hedged)	Class USD	Class JPY
<b>Initial Issue Price</b>	S\$1.00	S\$1.00	US\$1.00	¥1,000.00
<b>Initial offer period *</b>	At the Managers' sole discretion	At the Managers' sole discretion	At the Managers' sole discretion	N.A. (incepted on 10 March 2014)
<b>Minimum initial subscription amount **</b>	S\$1,000	S\$1,000	US\$1,000	¥100,000
<b>Minimum subsequent subscription amount **</b>	S\$500	S\$500	US\$500	¥50,000
<b>Minimum holding **</b>	1,000 Units or such number of Units as may be purchased for the relevant minimum initial subscription amount			

\* The initial offer period may be changed to such other period as the Managers may decide from time to time upon prior notification to the Trustee.

\*\* The minimum initial subscription amount, minimum subsequent subscription amount and minimum holding in respect of Units of each Class may be varied by the Managers from time to time, either generally or in respect of any particular transaction, upon prior written notice to the Trustee. Investors should also note that the authorised agents and distributors of the Managers may impose a higher minimum initial or subsequent subscription amount. Investors should therefore check with the relevant authorised agents or distributors before submitting their applications for subscriptions.”

5. Paragraph 11.7 is deleted and replaced with the following:

“11.7 Conditions to the launch of any Class

The Managers reserve the right not to proceed with the launch of any Class in the event that:

- (a) the capital raised for the relevant Class as at the close of the initial offer period for such Class is less than S\$5,000,000 or its equivalent; or
- (b) the Managers are of the view that it is not in the interest of the investors or it is not commercially viable to proceed with the relevant Class.

In such event, the Managers may at their discretion declare the relevant Class to be deemed not to have commenced, and shall notify the relevant investors of the same and return the subscription monies received (without interest) to the relevant investors no later than 30 Business Days after the close of the relevant initial offer period.”

6. The first sub-paragraph of paragraph 12 is deleted and replaced with the following:

“Currently, regular savings plans (“RSPs”) are available only in respect of Units in Class SGD and Class SGD (Hedged). Some authorised agents and distributors of the Managers may make available RSPs for Units in other Classes and investors should contact the relevant authorised agent or distributor for further information on availability.”

7. The first sub-paragraph of paragraph 16 is deleted and replaced with the following:

“The indicative prices of Units may be obtained from authorised agents and distributors of the Managers or by calling the Managers' hotline at telephone number 1800 22 22 228 from 8 a.m. to 8 p.m. daily (Singapore time). Prices may also be published in local or foreign publications such as The Straits Times and The Business Times, and on the Managers' website at [uobam.com.sg](http://uobam.com.sg) or any other website designated by the Managers. The actual

prices quoted will generally be published 2 Business Days after the relevant Dealing Day in the currency of denomination of the relevant Class. Investors should note that the frequency of the publication of the prices is dependent on the publication policies of the publisher concerned.”

8. Paragraph 22 is amended by deleting the words “24 hour Hotline No : 1800 22 22 228” and replacing them with:

“Hotline No : 1800 22 22 228

Operating hours : 8 a.m. to 8 p.m. daily (Singapore time)”

This page is intentionally left blank

This page is intentionally left blank



# 大华日本中小资本基金

## 发售计划说明书